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AN INQUIRY
INTO THE
COLONIAL POLICY
OF THE
EUROPEAN POWERS.

IN TWO VOLUMES.

BY HENRY BROUGHAM JUN. ESQ. F. R. S.

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AN INQUIRY
INTO
THE COLONIAL POLICY OF THE
EUROPEAN POWERS.

INTRODUCTION AND PLAN OF
THE WORK.

THE colonial policy of a state, is rendered more complex than the other branches of its domestic policy, by the circumstances of local situation—the different stages of improvement in which the different parts of the empire are generally found to exist—and the various relations which naturally arise from those diversities, and which subsist between the mother country and the colony, somewhat in the same manner as if they formed separate communities. The policy, both of ancient and modern times, has always more or less interfered with those colonial

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nial relations which, in the natural course of things, would establish themselves. The nature of these relations, and these modifications, forms the subject of the First Book of this Inquiry.

The policy of every state may be regarded, as it relates either to the domestic and independent affairs of that state, or to their connexion with the affairs of foreign nations. These two branches of policy are, however, intimately related to each other. The exertions of a nation, either in defending or enlarging its dominions, must, obviously, be regulated by the extent and nature of those resources which its situation has bestowed, and which its domestic administration can draw forth. The desire of extensive power, as it is limited by the magnitude and nature of the national resources, is always more or less excited by those circumstances which facilitate its gratification. *Cui plus licet quam debet, semper plus velle quam licet.* In the same manner as a state will naturally people up to its resources, it will naturally extend its dominions as far as those resources permit. The consideration of its foreign relations, therefore, depends upon the domestic relations
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of the state, and of all the parts which are comprehended in its dominions. This leads us to view, first, the relations of the different colonies among themselves, or the relations of the different members of the colonial commonwealth; and, then, the relations of the members of the European commonwealth, as influenced by the colonial relations. The former of these subjects is discussed in the Second Book—the latter is treated of in the Third.

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The views of a state are naturally directed, first, to the preservation of its own dominions from the attacks of a foreign power; secondly, to the maintenance of subordination, and of the political union, against the distractions of rebellion or civil war; and, lastly, to the good government of the community, and the increase of its resources. The various arrangements of domestic policy subservient to these great objects—to the preservation of colonial relations—the defence of the colonies, and their internal peace and prosperity—form the subject of the Fourth and Last Book.

In the two first Books, I have endeavoured to explain the structure of the colonial system, in general, as it exists, both with respect to in-

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ternal and external relations ; to trace its progress in different stages of society ; to point out the varieties which it exhibits ; and to describe the mutual effects of the connexion, upon the interests of the different members which compose it. In the two last Books, my object has been, to consider the practical consequences which may be deduced from the general view ; and to appreciate the probable effects of different changes that may be introduced, first into the foreign, next into the domestic policy of the system of federal power, which consists of a state and its colonial possessions.

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BOOK I.

OF THE RELATIONS THAT SUBSIST BETWEEN
A STATE AND ITS COLONIES.

INTRODUCTION.

THE different political sects, have held very opposite opinions with respect to the general advantages of colonial establishments. The disciples of the Mercantile system found, in these distant branches of the state, an unlimited field for the trial of their theory, by imposing such restraints as might render the industry of the inhabitants subservient to the wealth of the mother country, and by opening for her produce, a market of growing extent, in which positive regulations might secure an exclusive preference, or fix a high price. They have, accordingly, viewed such establishments with a decided partiality; and have carried into execution, in this branch of policy, the most elaborate, and

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the most violent of their artificial schemes, for pouring into the nation an abundance of the precious metals. Colonies have not, indeed, always furnished, directly, those precious supplies; but they have been used as means of obtaining the supplies from other markets, and of unlocking the money-chests of different nations in Europe: Their produce has been engrossed, as a weight, by which to procure, in other countries, the great object of the Mercantile system—a favourable balance of trade.

The Economists, on the other hand, have viewed, with more than common jealousy, those distant settlements, which are peopled and cultivated at the mother country's expence, and which hold out the temptations of foreign trade, to allure capital and industry from the great source of national riches—the improvement of the productive powers of the land. Such settlements, besides, were never likely to be made, without views of monopoly and restriction. The colonial laws of modern times, had furnished the most flagrant examples of tyrannical interference with the operations of manufactures and commerce; and the narrow policy which had always presided over the planting and rearing of new settlements, was utterly inconsistent with the very liberal and enlightened views of the Economical system.

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While the Mercantile theory favoured the establishment of colonies by every possible means, and viewed them as a certain mine of wealth; that of the Economists considered them as a drain to the resources, and a diversion to the force of the mother country. Statesmen of the former school (as almost all statesmen have been), encouraged them, as the scene of rich and secure monopoly: The converts of the latter doctrine (whose influence on public affairs has unfortunately been very slender), disapproved both of the colonies, and of the colonial monopoly.

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Between these two opinions, Dr SMITH has adopted a middle course. He loudly condemns the monopoly; and labours, with his usual force of reasoning and illustration, to prove, that it has been alike detrimental to the colonies, and to the parent state. But he admits, that a distinction ought carefully to be drawn between the trade of the colonies and the monopoly of that trade: The former, he allows to be, in every case, beneficial; the latter, he maintains, must always be hurtful, even upon the principles of the Mercantile system.

I think it must strike every one, who attentively examines the very elaborate Treatise of this celebrated writer upon the subject of Colonies *, that his views have been biased by the

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events

* Wealth of Nations, B. iv. c. 7.

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events and the temper of the times in which he drew up that part of his Inquiry. His illustrations are chiefly drawn from the state of North America; his arguments are frequently deduced from those partial illustrations; and the general texture of his reasonings by no means presents to us that bold and consistent aspect which is, for the most part, a characteristic feature of his work. Had it been composed at a more favourable moment, we should certainly have met with an explicit reprobation of all colonies, and colonial policy—instead of a censure, confined to the abuses of power, and the monopoly of the colonial trade; unless, indeed, a farther examination of the subject, in its various relations, political as well as œconomical, had led him to relax somewhat of his severity against this employment of the national capital and force; and then we might have found him likewise abating somewhat of his condemnation of the exclusive policy itself. It will afterwards appear, from an examination of Dr SMITH'S reasonings, that they do not apply to the monopoly alone; but that the trade itself, in every form in which it can be imagined to exist, is liable, in a very great degree, to the animadversions which he has confined to the monopoly. On the other hand, it will probably be found that the monopoly is much more harmless than has been supposed; and that the trade itself, when right-ly

ly considered, is, in every respect, advantageous to the mother country.

In the following Book, I shall endeavour to explain, *first*, The political relations that subsist between the colonies and the mother country; *secondly*, Their mutual relations of commerce; and, *thirdly*, The particular relations, whether of policy or trade, which subsist between the members of the great European commonwealth, and the different parts of the great Colonial community.

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SECTION I.

OF THE POLITICAL RELATIONS BETWEEN
A STATE AND ITS COLONIES.

BOOK

I.

THE state of manners, the general structure of society, and the relative situations of communities, has been so extremely different in ancient and modern times, that we should search, in vain, among the records of antiquity, for examples of various institutions which at present exist in every civilized nation; and should be equally puzzled to explain the political conduct of the statesmen who guided the affairs of those distant ages, by the principles of modern science. To argue from the practice of those politicians in the questions of modern policy, without the most minute examination of circumstances, and an ample allowance for the diversities of situation and of views, would, in like manner, be the surest road to error.

The leading feature in the picture which the classics have left us of ancient policy, is a uniform preference of the warlike, to the peaceful arts. To form a people of soldiers, was the grand object of almost all the legislators and rulers of antiquity, for which they sacrificed, without feeling their loss, the advantages of the pursuits

pursuits that embellish, and the domestic relations that sweeten civilized life. S E C T.
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Athens was by far the most civilized of those communities, the monuments of whose genius or power, history has preserved: yet, even in Athens, the occupations of peace were deemed unworthy of free citizens; and the fine arts themselves were generally abandoned to slaves, with the exception of those, the tendency of which was to promote military glory, or to direct the resources of the commonwealth. Carthage appears, from the very imperfect accounts which its enemies have left us, to have surpassed Athens in the refinements of commercial magnificence. The progress of trade and manufactures greatly enhancing the value of population in a territory of vast extent, the arts of the citizen could not spare a sufficient supply of men to recruit the large army which the republic always kept up. Foreign troops were, therefore, levied from all quarters; and the Carthaginian forces presented an assemblage of needy men from every nation round the Mediterranean Sea, kept together by the pay and subsistence of their opulent employers. But, extensive as we have every reason to believe the commerce of this people was, when compared with the traffic of the Roman, and even the Greek republics; their love of conquest was so steady, and their carelessness about plunging into a state
of

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of warfare so complete, that we may easily estimate the little progress they had made in mercantile affairs, when compared with the attainments of modern times. They paid for their victories, indeed, or for their national defence, not in men, but in money. If, however, their commerce had been very extensive, the direct losses of war would have signified little; and they might have found it cheaper and safer, in the end, to have paid Carthaginian, than foreign mercenaries. A manufacturing country has always abundance of idle hands, in any emergency of the state: wars provide, in this way, those supplies of troops by which they are carried on. But no diminution of direct expenditure could have compensated for the ruin of trade, by an interruption (in consequence of war) of the commercial relations with foreign markets. We may always conclude, that a nation is in a comparatively low state of commercial advancement, which finds it cheaper and easier to fight, than to purchase; and prefers gaining in the field, to gaining in the market. When trade, and the arts of civilized life, have been carried to a certain length, war is the greatest calamity that can befall a community. Any state in modern Europe would be so completely ruined by the contests which Athens and Carthage easily supported, that it would be a matter of total indifference whether the war was

a series of victories, or of disasters. The return of peace to France or England, after half so long a contest as either the Peloponnesian or the Punic wars, would be cheaply purchased by any conquest or revolution—any change of dynasty, or overthrow of government.

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The natural multiplication of the species, however, proceeded rapidly in those ancient states; for if domestic occupations did not furnish bread to all, every one might fight for his subsistence in the armies of the state. But if, at any time, a general peace lasted for some years, the growing population began to be burthenfome; and it either found an issue in the territory conquered by some new war, preferred, on this account, to a continuance of peace—or sought for an outlet in desert provinces, or in districts formerly subdued. The ambition and poverty of Rome, led her to the first mode of providing for her superfluous inhabitants. Carthage, possessing a greater territory, and engaged in a considerable foreign trade, could easily, by extending her agriculture, or by the resources of her traffic, find employment and subsistence for all her citizens at home; and the Greek republics, whose territories and commerce were both very limited, had recourse to the method of planting colonies in uncultivated deserts, or in parts of the world easily wrested from a handful of barbarous natives.

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The emigrations from Rome to the conquered towns and lands of Italy, and afterwards of the foreign provinces, were accordingly the operations of war and plunder. A body of discontented citizens, indifferent, from bad humour or poverty, about the privileges of a state, generally presented themselves, whenever an Agrarian division of conquered territory was proclaimed. But as it was necessary to retain the conquest at any rate, if a sufficient number of citizens did not offer to form this legion, which they called a colony, the deficiency was supplied from all the tribes by lot. As this system of conquering policy, carried on by an extension of the free and warlike population of the metropolis, was effected slowly, until the whole of Italy had been subdued, no emigration ever took place to any transmarine or transalpine countries. The different states were, during the lapse of above six centuries, gradually consolidated by the mixture of Romans, whose manners and habits nearly resembled their own. Various privileges were granted to different provinces. Some were only subjected to the Roman power. Others had their laws modified, and their territory in part confiscated. Others, whose resistance had been more obstinate, and whose plains were more tempting, found themselves turned out of all their possessions. Sometimes, those who had escaped butchery, were banished

banished or outlawed, by a general sentence of the great nation. Sometimes, they were deprived of every remnant of their own constitution, and a large portion of their territory. The laws of Rome were introduced with her dominion; and the colonists, who were to garrison the provinces, obtained the vacant lands.

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I.

The privileges of the emigrants were, also, various in different settlements. The *Roman* colonies could reclaim the rights of citizens, whenever they chose to remove to the capital: the *Latin* colonists lost them for ever. Between all these settlements and the metropolis, there subsisted the closest connexion. The form of colonial government was modelled upon that of Rome: The laws, if not changed at once, were gradually moulded by the spirit of the Roman jurisprudence: The officers were almost all sent from the capital: The mandates of the republic were more promptly obeyed in the provinces, than in the city itself: In a word—the establishments which have been called colonies, and compared to those of modern times, or of the Greeks, were military stations—garrisons placed in conquered countries—advanced posts of a great army, of which the commander in chief held his head quarters in Rome, and occasionally made a progress through the different cantonments.

From these settlements, taxes were levied, according to a census; and, after paying the expences

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expences of their own government, they transmitted a revenue to the Roman treasury. Men were raised for the Roman army, according to a muster-roll. We may easily imagine, that those politic rulers and warriors carried on the military operations, whether of conquest or defence, in any one quarter, with the troops drawn from the others; and garrisoned the conquered province, rather with Roman troops, than with its own foldiers. Both the revenue and the recruits were exacted by requisitions from Rome; the colonial or provincial quæstor giving in to the senate an attested account of the property in his district, and the men able to bear arms. From a desire to encourage trade, after the rivalship of Carthage had turned the attention of the Romans to this branch of policy, they exempted the maritime colonies from military service, unless upon pressing emergencies: But they supplied this deficiency, by requiring their service in the fleets.

When the grandeur of the Roman name extended across the Ocean and the Alps, the rights of citizenship became valuable, as the titles to power, honours, and plunder. The allies, or colonial and provincial settlements of Italy, then demanded the communication of this privilege; and the refusal produced that Social war, which may justly be deemed the end of the regular republican constitution. In consequence of the Juli-

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an law, which put an end to this war, and of the other laws which were passed within a few years after it, all the states of Italy, whether allies, colonies, or præfectures, obtained the full rights of Roman citizens. But they were still governed as before, although the mandates which they were forced to obey, proceeded from a vast crowd, composed, in part, of their own citizens. Until the year U. C. 620, no colony but one, which never flourished, had been planted beyond the confines of Italy. For the government of distant provinces, a Roman general, with his quæstor, suite, and troops, were supposed to be a more sure and safe establishment. The military colonies introduced by Sylla, and much favoured by Augustus, were in no way remarkable, but for a form of government more entirely military than that of the other settlements. All were equally subordinate to the central government, and equally obedient to its decrees.

In the political relations, then, of those settlements with their parent city, there is some resemblance to the political relations of modern colonies with their mother countries. But in the policy of a state so neglectful of every thing, except war, we cannot expect to find any parallel to those commercial views, by which the plantation of modern colonies has been undertaken, and their connexion with the

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European governments maintained. The objects of the Romans, in planting their colonies, were conquest and plunder. Thus, detachments of emigrants incorporated with, and governed, the old possessors of the soil. In modern times, the objects have been chiefly trade and agriculture : the most important settlements have been made in desert countries, or districts whose ancient inhabitants were extirpated by the first settlers. In this respect, then, the Roman colonies rather bear a resemblance to the Asiatic establishments of modern Europe : but they differ from these, too, in the structure of their government. The constitution of the Italian colonies was formed upon the Roman model, and varied with its changes. The provincial governments of Indostan, and the islands of the Indian Ocean, very little resemble those of their European masters, and are rather allied to the spirit of the oriental legislation. The provincial governments of the Roman transmarine territories bore, in every respect, the same kind of relation to the metropolis, which the East Indian establishments do to the states of Europe. The inhabitants retained, in a great degree, their own laws ; they were ruled and oppressed by a Roman magistrate, and an army, composed partly of Roman, partly of native troops ; their country was the scene of every criminal excess in politics

politics and manners, and the source of large supplies to the plunderers of the world.

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I.

The commerce of Carthage, together with her extensive continental possessions, enabled her to provide for her increasing population at home. The want of an outlet for inhabitants, formed no part of the motives that induced the Carthaginians to settle foreign colonies. Indeed, their colonial establishments were most probably on the same footing with the transmarine and transalpine provinces of the Romans;—conquered countries, retained in subjection, from ambition and pride, by means of a Carthaginian governor, and a few followers, prompted by idleness, or the love of change, or the desire of distinction to follow in his retinue. The small number of Carthaginians that enlisted in the army, must, of course, have greatly diminished the proportion of emigrants who resorted to those provinces from the mother country. It is impossible to conceive, that want of cultivated land, or a general deficiency in the means of subsistence, could have been the motive for maintaining such settlements; because the natives were so well employed and maintained at home, that they seldom thought of entering into the forces of the republic, and could bear an enormous taxation for defraying the expences of large mercenary armies. Men

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who would flock to a conquered country from want of bread, would naturally have flocked to the standards of the general sent out to make the conquest.

But, from whatever motives these conquests and settlements were made, it is clear, that the relations of the new establishments with the mother country, were different, in several respects, from the relations which connected the distant parts of the Roman dominions with the metropolis. All the information that has reached us upon upon this subject, scanty as it is, bears the marks of such a dissimilarity: The colonies were trading correspondents to the mother country. It is probable that the Carthaginians received the surplus of the rude produce of Sicily, Sardinia, and Spain, which Africa did not yield; and exported thither those manufactures which would naturally be raised in a country fully peopled, and long habituated to traffic. From the superiority of their navigation, too, the skill of the Carthaginian merchants, their connexions long established with the Levant, more particularly with the great emporiums of the East, Tyre, and Smyrna—and from the greater trading capitals of those rich merchants, they would most likely furnish the colonies or provinces with Asiatic commodities, of which Carthage would be the natural entrepôt for the
countries

countries to the west of the Mediterranean. S E C T.
I.
 Any communication among those settlements themselves, would also be carried on by the mother country, partly for the reasons which I have just now mentioned, partly because they lay at considerable distances from each other, and that Carthage enjoyed a very central position. The colonial or provincial market, then, would furnish a very considerable, and, from its proximity, a very advantageous object of commercial occupation to the mother country. Accordingly, we find that her rulers were influenced, like other rulers, by the great and interested advocates of the mercantile system, the rich and monopolizing traders of the country; and were persuaded to watch over this commerce with an interfering and restrictive, not a protecting and fostering anxiety. And history has fortunately preserved two of the most interesting documents that the speculative politician could desire to examine, two treaties of commerce and navigation between the Carthaginians and Romans, conceived in the true spirit of the modern colonial policy*.

It is remarkable how exactly the history of the Carthaginian monopoly resembles that of the European nations who have colonized America. At first, the distant settlement could

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* Polyb. Lib. iii. cap. 22.

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admit of no immediate restraints, but demanded all the encouragement and protection of the parent state; and the gains of its commerce were neither sufficiently alluring to the Carthaginian merchant from their own magnitude, nor necessary to him from the difficulty of finding employment for his capital in other directions. At this period, the colony was left to itself, and was allowed to manage its own affairs in its own way, under the superintendance and care of Carthage, which protected it from foreign invasion, but neglected its commerce. In this favourable predicament, it soon grew into importance: Some of the Carthaginian merchants most probably found their way thither, or promoted the colonial speculations by loans; at any rate, by furnishing a ready demand for the rude produce.

In this stage of its progress, then, we find the colony trade left free: for, the first of the two treaties, prohibiting all Roman ships of war to approach within a certain distance of the coast, allows the trading vessels free access to all the harbours, both of the continent and the colonies. This intercourse is even encouraged with the port of Carthage, by a clause, freeing the vessels entering, from almost all impost duties. The treaty includes the Roman and Carthaginian allies; by which were probably meant their colonies, as well as the friendly powers: and

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the clause which expressly includes the colony of Sicily, gives the Romans all the privileges in that island, which the Carthaginians themselves enjoyed. At this period, it is probable that the commerce of Rome excited no jealousy, and the wealth of the colonies little avarice; although a dread of the military prowess of the former, seems to have given rise to the negotiation.

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I.

Some time afterwards, another treaty, conceived in a different spirit, and formed exactly upon the principles of the Mercantile system, was concluded between those celebrated rival powers. The restrictions upon the navigation of the Roman ships of war, are here extended and enforced: the freedom of entry into the port of Carthage is continued, and into the ports of Sicily also, the Romans granting to the Carthaginians like privileges at Rome. But the Romans are debarred from plundering, trading, or settling (a singular conjunction) upon the coast of Africa Propria (which was peopled by Carthaginian colonies, and furnished large supplies of provisions and money to the city). The same restriction is extended to Sardinia; and trading vessels are only permitted to enter the harbours of that colony, for the space of five days, to refit, if driven thither by stress of weather. A singular clause is inserted, to which close ana-

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logies may be traced in the modern questions of neutral rights and contraband of war:—If any Roman troops shall receive stores from a Carthaginian port, or a port in the provincial territories of the state, they are bound not to turn them against either the republic or her allies*.

The substance of this very singular document will suggest various reflections to my readers. I shall only observe, that we find in it the principles of the modern colonial system clearly unfolding themselves; and that we have every reason to regret the scantiness of our knowledge of the Carthaginian story, which, in so far as relates to the commerce of that people, breaks off here, and leaves us no trace of the farther restrictions most probably imposed by succeeding statesmen upon the growing trade of the colonies.

But it cannot fail to strike us, as a very singular circumstance, that those first restrictions upon the traffic of the Carthaginian dominions were imposed, not by a domestic law, but by a treaty with the power against whom they were aimed. Shall we say, that the Roman name was so formidable, as to entitle the senate and consuls to interfere in the internal arrangements of Carthaginian policy, at a time when the Punic flag rode triumphant in every sea—while the

* Note A.

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the Romans had scarcely any thing that could be called a navy? Or shall we, admitting so improbable a supposition, farther allow, that the foreign commerce of Rome was of sufficient consequence to excite, in her rulers, the most vigorous exertions for its defence and extension? Or shall we maintain, that, in those early times, by a refinement of international jurisprudence, unknown to the coarser statistis of modern times, the interests of foreign traders were so much consulted in the domestic policy of states, that they were admitted to have certain rights of commercial intercourse, which could only be suspended by voluntary renunciation in a solemn treaty? In modern times, an ordinance from the mother country is sufficient to check almost all mercantile intercourse between her colonies and foreign nations; though the temptations to trade are surely greater, when all nations are engaged in this pursuit, and the opportunity of persisting in such an intercourse more constant, from the remote situation of the colonies, and the near equality of naval power among the several trading nations. The Romans never consulted their colonies, or the neighbouring states, in such matters: a decree, not a treaty, arranged all their measures, and secured the most violent and arbitrary restrictions, which the senate or the people thought proper to impose. After the Latin war, which was entirely a dispute

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pute about the rights of provinces and allies, several of the states were stripped of their lands; some banished beyond the confines of their territories; and others prohibited, by a *senatus-consultum*, from forming relations of commerce, marriage, or councils*. At a subsequent period, we find the colony of *Cumæ* petitioning to be allowed the privilege of using the Latin language †. We may conclude, then, that the Carthaginian power was not firmly established over the colonies or provinces of Sicily, Sardinia, and *Africa Propria*; probably from the structure of their armies, and that some management was requisite, before any restrictions could be laid upon their natural liberty. They furnished, indeed, supplies of men to the service of the mother country; but it is likely that this was only in the same way with other foreign states; that is, the colonists or provincials served as mercenary soldiers in the forces of the Carthaginians. We may easily imagine, that when the lands of the mother country were taxed, to the amount of half their produce, and the towns in proportion, the colonists would not escape the attempts of the fiscal system, pursued from the necessities of the public service. The taxes levied from Sardinia, are accordingly mentioned by Polybius ‡. Those drawn from Sicily were

* Livy, Lib. viii. c. 14.

† Ibid. Lib. xl. c. 42.

‡ Hist. Lib. i.

were probably more trifling, and obtained with greater difficulty ; as the conquest of that island, was later of being attempted, and was, at last, only partially successful.

S E C T

I.

In their origin, and political relations with the mother country, the Greek colonies differed materially from those both of the Romans and Carthaginians. The territories of Athens, Sparta, Corinth, and Argos, were of very limited extent ; and the increase of population gave rise to various emigrations from all those states. As such emigrations were undertaken by private individuals, with no authority from the government ; as they were generally directed towards distant and transmarine settlements, while the attention of the parent states was fully occupied by the boisterous politics of Greece ; as the exile to which the emigrants submitted, was the consequence of want and discontent at home : it is easy to conceive how slight the connexion must always have been which retained them in friendship with their original countries. No substantial authority was claimed by the latter ; and nothing farther than a nominal respect and submission yielded by the colonists. They remembered the land of their fathers with filial respect and affection—they honoured its gods, by offerings of first-fruits to their temples—they retained a predilection for its customs and laws,

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BOOK I. as well as its religion and language—they yielded to its citizens, the place of distinction at public games, and to its priests, the holy honour of taking the first look of the entrails at sacrifices. In war, they generally followed the fortunes of the metropolis, as allies, upon equal terms: But as they were perfectly independent, received no protection from her, and often equalled her in resources, they always refused to come forward as auxiliaries, when unfair terms were proposed. Thus, the Sicilian colonies refused to admit an Athenian army into their territories, for the purpose of resting, on an expedition; and, in the Persian war, the republic of Syracuse, when entreated by the Lacedæmonians to aid the common cause, refused to send any assistance, unless their chief magistrate Gelon were allowed to command the united forces.

Sometimes, when the mother country had no other occupation, or felt her strength sufficient for that purpose, she attempted to exact from the colonies, as matter of right, the usual marks of filial attachment. Thus, Corinth was despised by her colony at Corcyra, for her inferiority of wealth and trade; and she endeavoured to obtain, by force, the usual tokens of remembrance; for they amounted to no more. The colonists appealed to Athens, who
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took their part, and retained them as useful allies, especially during the Peloponnesian war. Potidæa, another Corinthian settlement, took the part of Athens, until her impolitic tyranny urged it to throw off the yoke, and appeal to Sparta and Corinth. After a long and severe struggle, the Athenians were successful; sent new colonies to occupy the confiscated and vacant lands; continued their oppressive government; and retained their dominion over Potidæa, until the invasion of Philip.

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When the progress of Cyrus exposed the Asiatic colonies of Greece to extreme danger, they in vain applied to Sparta for assistance; and, being soon conquered by the Persian monarch, they remained in subjection, until the victories of Plateæ and Mycale restored them to freedom. But as they despaired of being able to retain this independence long against the formidable enemy by whom they were surrounded on all sides, they entered into a strict alliance with Athens; and she took the opportunity of the general alarm, to propose an universal contribution from all her colonies and allies, for the great purpose of resisting the Persian power. At first, the sum levied was only 460 talents.* The Athenians were entrusted with the management of it, and were bound

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* 103,500l. Sterling.

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to deposit it in the temple of Delos. But the grant of voluntary aids always enables the power which receives them, to increase their amount, and to turn them into compulsory tributes. And the depositaries of the common purse, for the public service, either in a community of individuals, or a federal union of states, never fail to acquire a predominating influence over all the other members of the league, and to continue the office of receiving supplies upon their own private account. So it happened in Greece. From the great deposit bank of Delos, the treasure was, on various pretences, removed to the Acropolis of Athens: the sum of annual contribution was first raised to 600 *, and afterwards to 1200 †, and 1300 ‡ talents. The allies were originally induced, by intrigue and persuasion, to devolve upon the citizens of Athens the command of the united forces: the Piræus was quickly fortified—the Athenian fleet increased—and the command in chief became a part of the Athenian prerogative. According to their own exigencies, more than the demands of any common emergency, that ambitious people levied supplies in money or in kind, or commuted them for recruits to the military or naval force of the republic. By intriguing with one allied state, they rendered the others tributary and

* 135,000l. † 270,000l. ‡ 292,500l.

and subordinate. When the yoke was firmly established, they concluded, by extending it to those allies who had assisted in imposing it. The supplies were now exacted as a tribute; a refusal was punished as disobedience or treason; and any inquiries into the mode of their application, were resented as an indignity to the Athenian name. With the exception of the Samians, who rebelled in order to change the form of their government, and were punished with exemplary severity, all the colonies remained faithful or enslaved, from the invasion of Xerxes until the fifth year of the Peloponnesian war. Even then, when their tyrannical mistress was beset by every form of difficulty and danger, the Lesbians alone revolted: the rest continued to furnish the usual supplies of money and men. The Lesbians, incited by the intolerable oppressions to which they were subjected, went over to the party of Lacedæmon: they were chastised with an excess of cruelty, more worthy of Sparta or Rome, than of the most refined people in ancient times. Towards the end of the war, the Athenian colonies submitted to the unnatural union of Persia and Sparta: they were finally yielded up to the dominion of the former by the peace of Antalcidas.

A great part of the success which attended the colonial policy of Athens, may, without doubt,

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doubt, be ascribed to the impolitic severity and unbending haughtiness of her great rival Sparta, towards all who were subjected to her, or were willing to espouse her cause as allies. The whole history of the policy of those two celebrated powers, presents a striking and instructive contrast. On the one hand, we see the effects of that insinuating and intriguing system of management, which multiplies the internal resources of a country, by skilfully using them; weakens its enemies, by dividing their force, and fighting them one against another; conciliates allies, and makes use of their resources, as if they belonged to the state over which its councils preside; and, in a word, never thinks of pushing or driving, unless when it is impossible to lead or to draw. On the other hand, we perceive the impotence of mere force, however skilfully directed, or energetically wielded, so long as its object is only to push or to drive; and we are obliged to confess, that an extensive and highly fertile territory, cultivated by a numerous and submissive peasantry, defended by the most martial people that ever brandished a sword, will support a nation, who may indeed subsist, in coarse and rustic independence, without the assistance of foreign allies, or a foreign market; but can neither enjoy the pleasures of civilized life, nor gratify that ambition which

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was the mainspring of the unnatural system, by the achievement of military glory, and the extension of their foreign power. S E C T.
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The colonial establishments, which, at different times, were formed by the Greeks, differed widely from those of all other states, ancient and modern, in their want of subordination to the mother country. We find, indeed, that the Athenian policy prevailed in establishing a colonial or federal dominion; but it was acquired indifferently over the settlements of Athens, and of her enemies or rivals: it arose in the course of many ages after the original emigration. On the other hand, the internal structure of the Greek colonies, essentially different from that of the Punic and Roman provinces, more nearly resembles the constitution of the modern settlements in the new world.

The motives, too, which led to their establishment, were much more nearly allied, than is generally imagined, to those which have extended the European power over the continent and islands of America. The great cause of emigration, in both cases, was certainly the scarcity of subsistence at home. This is readily admitted to have operated in the narrow territories of the Greek republics: but historians have commonly asserted, that nothing parallel to such a motive, is to be found in the origin of modern colonies. We

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ought, however, to recollect, that a deficiency in the means of subsistence, in proportion to population, is not, all at once, felt as a famine, even by the most confined states. The cheapness of labour, the small profits of stock, a love of adventure, and desire of great wealth, begin to affect the comforts, or diminish the contentment of men in every community which has proceeded far in refinement, population, and wealth. The want of enjoyments and conveniences, is the first loss that is felt; and the difficulty of obtaining the usual share of these, is the first hint which a nation receives, that its population is increasing too rapidly. The manufacturing, commercial, or military habits of a people, will not always change with the changes in prices, wages, and profits. The agriculture of the country will not immediately be promoted to its utmost extent in the narrowest, any more than in the most extensive territory. The expedient of foreign settlements will suggest itself to men in these circumstances, whether they inhabit a large or a small territory: it will suggest itself as soon as the difficulty of continuing the usual course of living begins to be generally felt, and the opportunity of obtaining settlements in a new country is presented. The men who emigrated from Greece to Asia, Thrace, and Italy, were not in immediate danger

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ger of starving, by remaining at home; but they felt their comforts abridged—their means of earning a subsistence becoming more difficult—their chance of making great profits, by the labour or skill of their slaves, curtailed, from the numbers of men who had slaves, and the high prices of their purchase and maintenance. They saw the competition for public honours and employments daily more extended, and their views of individual consequence contracted, by the increasing number of candidates for power or fame, and the division of the public service among so many hands. They felt their patriotism cooled by the same subdivision of responsibility and duty which diminished their influence; they willingly quitted the crowded and occupied territories of the republic, and escaped from the dominion of its mobs and demagogues, in order to form a more important part of the colonial establishment, and to enjoy, in greater abundance, the blessings of wealth and ease. What other motives have led to the European adventures and emigrations in modern times?

The idea of returning to spend the fortune acquired abroad, formed, indeed, no part of the plan which separated the Greek from his native country. In this alone do the cases differ; and the circumstances of those colonies,

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which remain connected with the parent states, certainly encourage such views in the inhabitants. The Roman and Carthaginian provincial establishments, more than the Grecian colonies, resembled the modern settlements in this respect. The names (as Dr SMITH has justly remarked *) are different in the different cases. The Latin, and the modern word (colonia and plantation) expresses merely a settlement, or cultivation of the territory. The Greek term (*αποικια*) denotes a separation, a leaving of the former habitation. The spirit of conquest, indeed, and the interference of the public will, although it could not create the extensive emigrations to the new world, has mingled itself with them, and turned them to its own purposes; and we are now to attend more particularly to the mutual relations of those modern establishments.

The means by which, with a very few exceptions, all the colonial territories of modern Europe have been acquired, are such as reflect no great honour, either upon the honesty or the humanity of the different nations. The most valuable of those distant countries were peopled by independent tribes, either united in society under regular governments, and advanced in civilization, or living in a rude, but free state, and

* Wealth of Nations, B. iv. c. 7. pt. 1.

and connected by the most simple and imperfect ties. As soon as their existence became known to the more powerful communities of the old world, an intercourse was established, which terminated in the subjection or extirpation of the ancient possessors, after a succession of cruelty and fraud; sometimes mingled with ridiculous perversions of casuistry in religion and jurisprudence—sometimes varied by pretexts, still more shameless, of rights by grant, purchase, and conquest.

The title, then, by which the different powers now hold their colonial territories, very much resembles that by which all nations have possessed their dominions in every age and quarter of the globe—the right of the strongest and most crafty, assumed over those who could neither resist nor escape—and admitted by others, who dared not oppose it, or who shared in the spoil.

This extension of power, strikes us as founded in extraordinary violence and injustice; only because it has taken place a few years after the period at which the parent states were themselves established by the very same means, and because the rules, which about that time were beginning to regulate the mutual rights of men, were not immediately extended to the more remote scenes of their enterprises.

The territory thus acquired, was settled, as the mother countries had been, by those who assisted in obtaining the possession, and by others whom poverty, or avarice, or discontent, or the love of adventure, or of change, induced to leave the place of their birth, and to fix their abode in this new district of their native country. As the remote provinces of an extensive state, though lying contiguous, are, in various respects, more exposed to attack on the one hand, and, on the other, less easily governed by the power situated in the centre of the empire; they are uniformly subjected to a political regimen, somewhat different from that which prevails in the metropolis. The same variation extends to the government of those more distant communities which are formed in the newly acquired territories; and the administration of the colony, in general, differs from that of the contiguous provinces, only in proportion to the distance, and the recency of the establishment. This we shall afterwards demonstrate more fully.

The advantages that tempt men to remove from their country, induce them also to surrender some of the privileges which they enjoyed at home. They are willing to exchange, for the prospect of wealth and distinction in the new settlement, that preeminence which

is attached to their poverty in the old ; and their descendants, if they continue to prefer the colony before the mother country, are contented to purchase the gratification of their taste, at the expence of whatever benefits they might gain by returning to the seat of empire, in order to live under the immediate protection of the government which superintends the whole system. The case of the colonists resembles that of the inhabitants of the capital, who remove to a provincial town, or to an estate upon the frontiers, and give up the various advantages of expensive and polished society, for other advantages which their circumstances or taste render more desirable.

The feebleness of infant colonies has, in general, demanded all the tenderness and sollicitude of the mother country. Sometimes the felicity of their circumstances has enabled them, from the beginning, to repay, and has induced the mother country to increase, this protecting care. Sometimes their slow progress in opulence, and their deficiency in natural resources, has, for a while, abated the attention and anxiety of the parent state, and secured to them a profitable, though temporary, freedom and neglect. In either case, as soon as the growing value of the distant settlement attracted the notice of the neighbouring powers,

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ers, while its weakness exposed it to their depredations, the care of defending it devolved upon the mother country. After securing it from the danger of foreign invasion, she was anxious to prevent any voluntary separation by revolt; and to obviate, as much as possible, that alienation of sentiment, which diversity of local circumstances has a great tendency to produce. While the colony, then, increased in its internal resources, a more jealous policy began to influence the views of the mother country in administering its affairs; and she endeavoured, at the same time, to repay herself for the exclusive care which she had taken of its protection when it was wholly unable to contribute any assistance to the common cause, and for the unequal share which she still continued to take, now that it could, in some degree, bear the burthen itself. According to the system of policy which directed her domestic administration, that is, the government of her nearer provinces, her colonial policy, that is, her treatment of the remote provinces, was invariably regulated. The greater distance of the colony exposing it more constantly to the dangers of invasion and rebellion, and the recent benefits conferred on it while entirely dependent upon the parent state, continued to form the only real difference between its dependance,

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and that of the other provinces, upon the seat of government. S E C T.
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A variety of circumstances influence the connexion of the different parts of the same country with each other, and with the capital. The intercourse of their inhabitants, and their mutual change of residence, by no means depends upon distance alone. Political institutions, local peculiarity of manners and of taste, the particular distribution of wealth, and the various nature of the prevailing pursuits, attach men more or less firmly to the place of their abode. The metropolis is continually drawing supplies of inhabitants from the country, but differently from the different orders of people, and from different districts, situated at the same distance. The circulating mass of inhabitants—that portion which changes its place, in opposition to that portion which remains stationary—must always consist of those who want employment, and of those who possess moveable property. An agricultural district seldom changes its inhabitants: one that is engaged in manufactures or trade is perpetually shifting its proprietors. An agricultural district, inhabited by yeomanry, is not subject to so many variations of this kind, as one which belongs to a few great proprietors, and their tenants or retainers. The most rapid and constant

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constant change of inhabitants, engaged in trade or manufactures, may be expected in a maritime province, where a profitable fishery attracts a number of needy adventurers, in spite of its various disadvantages; or an inland district, where mining projects tempt speculators a while to seclude themselves from polished society, and to risk their health, along with their fortunes.

In like manner, the circulation of inhabitants between the remoter provinces and the capital, or between the colonies and the mother country, is more or less constant and general, according to the diversities of manners, of local circumstances, and of political institutions. A few remarks will serve to illustrate the various effects of those diversities in promoting or retarding the intercourse of different colonial settlements with their parent states in Europe.

The colonies of North America were originally planted by men who had quitted their native country, either from a love of civil and religious liberty; or from a desire to better their fortunes, by laying out a small capital in the improvement of land; or from the necessity of finding employment in a country where labour bore a high price. Anxious only to live in peace and freedom, with a competency
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for themselves and their families, these men centred all their views in the spot to which they removed their fortunes and persons—they gave up, for ever, the thoughts of returning to the countries which they left behind them—and transferred to their new homes, all those ties which had formerly bound them to Europe. The first emigrants consisted of whole families; and if, for some time afterwards, the newcomers were chiefly men, the disproportion of sexes could last but for one generation; since all the inhabitants remained in the country for life, and the increase of population, by the influx of new settlers, could bear no proportion to the natural augmentation. The woods of the northern continent, then, were cleared by men of small capital, content with a living profit, attached to the soil, and entertaining no ideas of removing from it. The smallness of their property excited their whole industry; and the part of their profits which arose from their labour, bore a great proportion to that part which came from their stock. They never thought of accumulating, unless to extend their improvements; nor of separating themselves from that immoveable subject in which their wealth was vested. Men soon acquire a strong interest in the soil which owes its cultivation to their labours, and repays their cares
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by its fertility. The scene of their property naturally has charms for them; the influence of local attachment binds them to a spot, which necessity had made them choose. And even if, at first, they had entertained no prospects of removing thither for life, or had no ties of family and friendship to determine their residence: as the ardour of youth abates, the love of change cools, the views of enjoyment contract; and the desire of depositing their bones in a country which had received and cherished them, gradually succeeds to the obliterated partiality for the place of their birth.

In this manner, a nation was soon formed, of materials transported from the old, but belonging to the new—of European extraction, but of American growth; confined, in its views and desires, to the country of its residence, and connected with the parent state, only by political and commercial relations, or by the ties of sentiments founded on a traditional recollection of its origin.

The cultivation of the West Indian islands has been carried on by the employment of large capitals, with some risk, considerable hardship and danger from the climate, and the chance of enormous profits. Such are the sacrifices which the business of a sugar or coffee-planter requires; and such the temptations
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which it holds out. It is a business suited to a mercantile schemer; and appeals much more to the commercial than the agricultural spirit; and forms habits, rather of the former, than of the latter kind. The offspring of the one, is local attachment—that of the other, a propensity to adventure and change. While the farmer, or improver of land, acquires a taste for rural enjoyments, and takes delight in the scenes which his own labour has created, or his taste adorned; the mercantile adventurer affects a city life, finds the same attractions in every exchange where business is transacted, and divides, with a whole community, the attachment to the same harbours, wharfs, and docks. The former raises, himself, most of the articles of food and clothing; and he spends his money in luxuries or convenience, as he makes it by the sale of his surplus produce:—The latter seldom sees any article of necessity or convenience, that he does not directly pay for; and he takes a constant delight in saving, in order to increase his capital. The one is supported by the country in which he lives:—The other draws his subsistence from abroad; and only receives, from the spot of his residence, the price he must pay for his support. The planter of North America cultivates the ground, partly by his own toil, partly by the help of his family;

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family;—partly with the labour of his fellow citizens, whose voluntary exertions he in person directs, watches, and repays. The West Indian planter raises his crops by slaves, of a different country and race—whose toil he extorts by the lash, and whose exertions are superintended by a deputy. The ground has here few charms for its wretched cultivator, and little hold over its wealthy owner.

Instead of choosing the islands, then, as a second home, the adventurers in West India property have only submitted to a residence there, as the means of augmenting their capital, or of acquiring a fortune, which they might spend in the more elegant luxuries of Europe. A great proportion of those whose capital has planted the West Indies, have, in fact, continued in their native country. Such of them as ventured their money in loans to the planters, on the security of the lands, buildings, and slaves, were engaged in other business, and had no connexion with the property, except that of receiving their interest, or selling the produce on commission. Such of them as vested their money in the plantation business upon their own bottom, often preferred a smaller income, enjoyed in ease at home, to a larger one, for which they must forsake their own country, and expose themselves

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themselves to the dangers of the climate and the voyage. They accordingly employed overseers on their West Indian estates, and resided constantly in Europe. Thus, while the capital employed in trade bears a very small proportion to that employed in planting; the great strength of every country, the landed interest, is almost wholly wanting in the West Indies. Its place is supplied partly by proprietors loaded with debt, who are little more than commissioners for the European creditors; partly by factors, properly so called, acting for the non-resident proprietors. Many of these men, and almost all the rest of the inhabitants, consist of needy adventurers, tempted, by the hopes of acquiring wealth, to break the ties of kindred—to encounter the dangers of an unpropitious climate—and to exile themselves from home, in order to gain such a fortune as may enable them afterwards to live independently in their own country. It is accordingly universally remarked, that in no part of the civilized world, notwithstanding the great wealth of the natives, are the comforts and conveniences of life so little studied, as in the West Indian colonies. In the French islands, where the proprietors have always resided more constantly than in our own, and where the aristocratic spirit might not be expected to unite

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unite so closely with the love of gain, we have the following animated picture of the state of society, drawn by one who had a long experience of its likenesses—‘*Tel est le tableau mouvant d’une ville de colonie, d’une ville de Saint-Domingue. On n’y voit point d’homme assis sur son foyer parlant avec intérêt de sa ville, de sa paroisse, de la maison de ses pères. On n’y voit que des auberges et des voyageurs. Tout correspond à l’idée que j’exprime. Entrez dans leurs maisons, elles ne sont ni commodes, ni ornées; ils n’en ont pas le temps, ce n’est pas la peine: voilà leur langage. Est-il question d’un bâtiment, d’une machine, d’une transaction, d’un acte de partage, d’un règlement de compte: rien n’est fini, rien ne porte l’empreinte de la patience et de l’attention.*’ *

Thus, the objects of emigrants to the West Indies, is, not to live, but to gain—not to enjoy, but to save—not to subsist in the colonies, but to prepare for shining in the mother country.—‘*Ici*’ (says the author I have just quoted) ‘*la scène et les acteurs changent en moins de dix années: vous avez sans cesse des hommes différens; sans patrie, sans famille, sans projets, sans moyens déterminés; mais*

* Malouet, Essai sur St Domingue, Mem. sur les Col. tom. iv. p. 127.

‘ mais prêts à faifir tous les projets, tous les
 ‘ moyens.’ * S E C T.
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The flock of white inhabitants is not kept up by natural increafe. The proportion of the fexes is extremely unequal †, and the females are almoft entirely of the lower orders. Marriage is held in no repute. A family, which, in North America, is a fource of wealth, is, in the Weft Indies, deemed an expenfive incumbrance; and the paffions, excited by a warm climate, or favoured by the diffolute ftate of manners, find an eafy and carelefs gratification in tranfient connexions with negreffes or mulattoes, the objects not of love, but of criminal defire.

As there is no provifion, then, for the natural increafe of the white inhabitants, the blanks are filled up by new fettlers; and the fame caufe that made room for them, the want of females, and of good fociety, renders their ftay unpleafant, and induces them to make it as fhort as the acquifition of a fortune will allow. A conftant interchange of inhabitants is thus carried on; the numbers do not increafe with the rapidity of other new countries, but according to the progrefs of the community, from the overflowings and offcourings of

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* Malouet, Effai fur St Domingue, Mem. fur les Col. tom. iv. p. 128. Note B.

† Note C.

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which they are derived. The population circulates through this remote member of the body, with a rapidity still greater than the rate of its motion from many of the parts contiguous to the capital: and a constant intercourse is kept up between the mother country and those distant provinces, more powerfully united to her in this manner, than by the effects of political institutions, or even of mercantile connexions.

The circumstances of name, manners, climate, and of a political constitution, expressly framed with a view to promote a constant intercourse, and to prevent that tendency to separation which results from want of circulation among the inhabitants, have promoted the intercourse between the European states and their settlements in Asia. This circulation, though constant, is confined to a small number, chiefly in the higher ranks of society; partly by the great distance, and partly by the restrictive policy of the colonial monopoly. But it no doubt produces a considerable effect in maintaining the connexion, and in modulating the manners of both parts of the empire.

The colonies of the French and Dutch in Guiana, resemble the islands in every respect. The objects of speculation, the nature of the governments, the inducements to change, the habits of the people, the structure of society, and,

and, of consequence, the circulation of inhabitants, is the same in all those settlements. S E C T.
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The possessions of Spain and Portugal in South America, hold a middle place between the North American colonies and the islands, in the formation of their society. They resemble the islands in the mixture of inhabitants, though the disproportion of whites is much less. In the extent of territory, and the cultivation of the soil, they bear a greater resemblance to the states of North America. A great part of the population then is fixed. On the other hand, the mines, and the lands adapted to the more uncertain culture of the costly produce, hold out temptations to adventurers, and draw thither all those natives of the Spanish peninsula, whose fortunes are desperate; besides many who possess capital, and inherit the spirit that led to the original discovery of the New Continent.

The political institutions of the Spanish and Portuguese settlements, tend to promote a circulation of inhabitants. Natives of Europe (*chapelones*) are esteemed the first class: they receive the highest respect from all ranks, and enjoy, by law, many important exclusive privileges. The indolence natural to their character is here thrown off; the acquisition of a fortune is the study of all; and they prefer

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returning to their native country, where they may receive the honours attached to wealth, and may leave it to children who are not (as in South America) liable to rank in a lower order than themselves. Hence, a considerable part of the population of these colonies, both from national character and positive institutions, and from the situation of South America, continually circulates between Europe and the new world.

If we examine the portion of inhabitants which circulates between any two countries of Europe, we shall find it extremely small, when compared with the circulating mass of the West Indian and South American colonies. A great intercourse of travelling, and of visits on account of trade, has certainly been the result of the relative situations of those states since the overthrow of the Roman empire, and has produced important consequences upon the national character, and the policy of modern Europe. But various circumstances prevent this intercourse from being any other than slight and transient, when compared with that which connects the different parts of a great empire. The mutual jealousies of the nearest states; the personal quarrels of their rulers; the difference of language and manners; the tenacious partiality of each people for their own habits

habits and customs—all contribute to render the effects, even of residence in foreign countries, very trifling. If a very small proportion of inhabitants are attracted from one country to another; still less effect is produced towards the blending of the different nations. Besides, the circumstances of all the states are so nearly alike, that no temptations are held out to a change of place. The small number of foreign merchants who reside in any country, generally associate together, and form a sort of colony, which returns very few members to the mother country. The English formerly enjoyed certain immunities at Bergen in Norway, which attracted thither considerable numbers from Britain: they soon purchased factories, warehouses, and villas: they obtained grants of land, and occupied their district, retaining little or no connexion with their native island. By degrees, they sunk into the surrounding population; and no traces of them are now to be found, but a few British surnames.

Holland is the only country in Europe where the merchants are almost all of foreign extraction, or foreigners by birth. The manufacturers, too, are many of them descended from strangers. This has arisen from the peculiar circumstances of the neighbouring states,

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and the asylum offered to all the victims of civil or religious persecution, by the republic. The same circumstances, however, of unlimited toleration, and commercial advantages; which drew men thither, retained them there: and a trader who removes to Holland, in the present times, for the purposes of his business, seldom thinks of returning to his native country. The laws make no distinction between natives and foreigners in the privileges of trade, or in political rights. Every one may be admitted alike to the highest offices of the States, and of the federacy, by obtaining the freedom of the cities; and the burghers ticket of the capital itself costs something less than five pounds Sterling. It is evident, then, that the population attracted to Holland, by its situation and policy, generally remains fixed there.

I recollect only two instances of any considerable interchange of inhabitants among the European nations—the Scots emigrations to Poland, before and after the Accession—and the French, who carry on the retail trade, and some of the agricultural labour, in several parts of Spain. The wanderings of the Gascons are chiefly confined to France; of the Swabians to Germany (and indeed they never think of returning home); and of the Gallicians to the more lazy and fertile provinces of the Spanish peninsula.

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Now, the emigrations from Scotland have been vastly overrated, as Mr LAING justly remarks *. They were, in a great degree, caused by the troubles of the times; and must chiefly have consisted of poor people thrown out of employment, or the higher orders engaged in the political troubles of the day. It is not easy to conceive, how either of those classes (Scots beggars and nobles) could, all at once, push themselves, as we are told they did, into a large share of the Polish trade, engrossed, for ages, by the most skilful retail traders in the world, the Polish Jews. Such of them as obtained employment, must have contented themselves with the subordinate branches; and we cannot imagine that men, gaining a livelihood as a class inferior to common pedlars, should return, in great bodies, to their native country, 'enriched by the spoils of the Polish nobles 'acquired in traffic.' This instance, then, may be regarded as of no consequence; and, at any rate, it was only temporary.

The case of the French, in Spain, is of a different description. But those who go thither, are either labourers of the lowest class, from the districts about Perigord and Limousin, employed annually in the Spanish harvest; or small retail dealers, who, after earning a

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competency,

* Laing's History of Scotland, Vol. i. p. 8.

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competency, from the ignorance and laziness of their Spanish competitors, return to their native country with their small gains. This class of men is evidently extremely trifling. Such an intercourse must diminish both with the progressive improvement of France and Spain; and indeed I know not, if, since the time of Dean Tucker * from whom I quote the fact, the communication has not been relaxed or worn away.

The only constant, and regular, and extensive intercourse, arising from the circulation of inhabitants, is that which is carried on between the different provinces of the same empire, either contiguous or remote, between the country and the towns—the provinces, or provincial towns, and the capital—the districts of industry and self-denial, and the seats of opulence and pleasure—the mother country and her colonies.

This intercourse and circulation tends, more than any other thing, to preserve the connexion of the different component parts of a great and scattered empire, and to cement the whole mass. It is by no means regulated by the respective distances of the parts from each other; but depends upon a variety of circumstances in their situation. It has always been much
more

* Essay on Trade, p. 25.

more rapid and constant between the Spanish and Portuguese colonies and the Peninsula, than between the North American colonies and the United Kingdoms. It has always been, and is likely to continue, much more rapid and constant between the West Indian settlements and the European states, than between any of the continental possessions and their mother countries. In like manner, there can be no doubt, that the mutual exchanges of population between London, Liverpool, and Bristol, and the British West Indies, are much more frequent, than between the same towns and the counties of Cornwall and Caithness—those between the Danish islands and Copenhagen, than those between that capital and Iceland or Finmark—those between St Bartholomew and Stockholm, than those between Lapland and Stockholm.

It is evident, that the changes which a quick circulation of inhabitants tends to produce upon the manners of the mother country and the colonies, must always be very considerable. In some respects, indeed, this will operate more powerfully on the mother country than on the colonies. Men of property and influence have always a greater effect in modulating the habits of their fellow-citizens, than mere adventurers. The persons who repair to

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a colony, for the purpose of living, and acquiring an independency, carry with them, no doubt, the language and manners of their native country: They go, however, with a design to accommodate themselves to the customs and habits of the colony; to pursue their own interest, with freedom from all restraint; but to avail themselves of all the conveniences which result from doing at Rome as they do at Rome. They return men of consequence; and can choose a mode for themselves. They naturally prefer the habits which they have acquired, and which have modified their primitive manners: for men generally retain an affectionate recollection of those scenes and labours which have led to prosperity, however disagreeable both the place and the toil might be at the time. Their example operates in circles more or less extensive, as their fortune or talents are more or less splendid. The village, or the walk of fashion in which they move, becomes somewhat influenced; and the political habits which they have acquired, may still more directly affect the public affairs of the state. It is, therefore, of some consequence, as it must unquestionably be extremely entertaining, to consider what sort of habits the different species of colonial establishments have a tendency to form; and how they variously operate in modifying

fyng the manners, and affecting the interests
of the mother country.

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I. The agricultural colonies of North America are, in every respect, those, of which the manners have always been the most pure and unexceptionable. Three circumstances deserve our attention, in contemplating those wonderful settlements:—the character of the original settlers—the tendency of the circumstances under which subsequent emigrations have been made, to alter the manners of the new-comers—and the tendency of the circumstances in which those communities have been placed, to form a respectable national character.

The first settlers of all the colonies, were men of irreproachable characters, though not very enlightened in their views, or polished in their manners. Many of them fled from persecution; others on account of an honourable poverty; and all of them with their expectations limited to the prospect of a bare subsistence, in freedom and peace. All idea of wealth or pleasure was out of the question. The greater part of them viewed their emigration beyond the Atlantic, as a taking up of the Cross; and bounded their hopes of riches to the gifts of the Spirit—and their ambition, to the desire of a kingdom beyond the grave. A set of men
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more conscientious in their doings, or simple in their manners, never founded any commonwealth. It is indeed the peculiar glory of North America, that, with a very few exceptions, its empire was originally founded in charity and peace.

The new emigrants who, at various times, continued to flock to this extensive country, as it became more open and improved, were by no means of the same description with the first settlers. They were a various race, of different ranks, but chiefly needy men; of different sects, or of no perceptible religion at all; and of different nations—in which, however, the English greatly predominated. Some of them were the scourgings of jails, banished for their crimes; many of them persons of desperate fortunes, to whom every place was equally uninviting; or men of notoriously abandoned lives, to whom any region was acceptable, that offered them a shelter from the vengeance of the law, or the voice of public indignation. But a change of scene will work some improvement upon the most dissolute of characters. It is much, to be removed from the scenes with which villany has been constantly associated, and the companions who have rendered it agreeable—It is something, to have the leisure of a long voyage, with its awakening ter-
rors,

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rors, to promote reflection—Besides, to regain, once more, the privilege of that good name which every unknown man may claim until he is tried, presents a powerful temptation to reform, and furnishes an opportunity of amendment, denied in the scenes of exposure and detestation. If the convicts in the colony of New Holland, though surrounded, on the voyage, and in the settlement, by the companions of their iniquities, have, in a great degree, been reclaimed, by the mere change of scene; what might not be expected from such a change as that which we are considering? But the honest acquisition of a little property, and its attendant importance, is, beyond any other circumstance, the one most calculated to reform the conduct of a needy and profligate man, by inspiring him with a respect for himself, and a feeling of his stake in the community, and by putting a harmless and comfortable life, at least, within the reach of his exertions. If this property is of a nature to require constant industry, in order to render it of any value; if it calls forth that sort of industry, which devotes the labourer to a solitary life, and repays him, not with wealth and luxury, but with subsistence and ease; if, in short, it is property in land, divided into small portions, and peopled by a few inhabitants—no combination

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nation of circumstances can be figured to contribute more directly to the reformation of the new cultivator's character and manners. This has been precisely the situation of the North American colonies. The mixture of various population was, by the influence of those simple and happy manners which are formed by an agricultural life, soon blended into one nation of husbandmen, whose character has communicated itself, in a great degree, to the most profligate of those whom compulsion or despair from time to time introduced. While the purity of manners was in this way preserved, that firmness of principles in religion and politics was maintained, which had so eminently contributed to the establishment of the colonies. Sentiments of freedom might find an asylum in America, when, even in Switzerland, it should no longer be lawful to think beyond the rules.

Together with those happy effects on the national character, the circumstances of the North American colonies produced some others, not quite so favourable, upon the taste, and what, in common conversation, we call the manners of the people.

The solitary nature of agricultural labour, and the seclusion of the husbandman's residence, surrounded only by his own family and servants,

servants, is extremely inimical to all sorts of refinement—to every ornamental accomplishment. The settlers of the new colonies abhorred restraints of all kind; and were eager only to subsist. They were indeed free from tyranny; but they wanted also that elegance which compensates for a thousand of the evils that luxury produces. Thus occupied with the useful, they neglected the agreeable arts of life; and voluntarily threw themselves back some centuries, in most branches of civilization, instead of carrying on the improvement of those branches, from the point to which the mother country had brought them at the æra of their emigration. The reasoning powers of the human mind, from constant use, were indeed kept in full vigour; but their application was confined to those subjects which called them forth—the common affairs of life. Speculation, abstract inquiry, (unless upon some points of political and theological controversy), all the pleasures of fancy, and recreations of taste, were neglected, or despised as useless, and shunned as expensive. In a country where bodily labour bore a monopoly price, the labour of the mind (coupled with idleness of body) could not be afforded. Thus, the Americans have always abounded in grain and timber, and even in the coarser manufactures; they have imported the finer fabrics,

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fabrics, and, among others, works of genius. The pursuits of agriculture certainly tend to strengthen their intellectual faculties, more than those of manufacturing industry; but they fatigue the body more, and leave less time for the inactive relaxations of study. A nation of farmers, is free from the vices of a manufacturing people; but it wants the accumulation of stock—the unequal distribution of surplus wealth, which, among the latter, gives employment to the unproductive labour of literary men. Thus, the Americans have always possessed a numerous, virtuous, and athletic peasantry; but they have numbered no fine artists among their millions. They have raised necessaries, but imported superfluities. They have produced theologians and statesmen, because government and religion were necessary; but they have not raised a single orator in all the course of their changes—not even under their present constitution, so favourable to eloquence: and the word American has never yet (so far as I know) been coupled with either Poetry, or Painting, or Music.

The history of manners, in North America, is the general history of manners in every new community, of which agricultural industry forms the basis. The peculiarities (perhaps accidental) which marked the situation and habits

habits of the first settlers, have likewise produced some effect upon those of their descendants, without in the least modifying their character as an agricultural nation.

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The love of civil and religious freedom, was connected with an anxious attention to all matters of controversy, whether in politics or faith; and as the settlers were equally incapable of understanding either, so they were chiefly captivated with the more abstruse of the two sciences; and affected great depth in the things appertaining to grace, spirit, incarnation, and all the sublime mysteries of the Christian dispensation. These fruitless speculations were the only literary inheritance which they transmitted to their children. But although they had left the old world for liberty and conscience sake, they soon manifested what they understood by liberty of conscience. By that term, they meant (like almost all advocates of liberty) the propagation of their own peculiar tenets; and they showed, that they only wanted the power to propagate their creed (like their European oppressors) by that method of mental persuasion, which consists in burning the body. They allowed every man entire liberty of conscience, provided he used that liberty in adopting their own standard of faith. Accordingly, while, in Old England, the spirit of fanaticism was operating

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rating the downfall of government, and niggling itself with every pursuit of the age, to the universal debasement of manners and sentiment—in New England, the heterodox were persecuted by the impulses of the inward light; or parties were formed, and armies marshalled, and millions led, by the subtle principles of a metaphysical theology. But the Falklands and Sydneys had no parallels to temper the unclassical rage of the American bigots; and even the Cromwells and Bradshaws found but poor representatives in the stupid fanatics of Boston and Salem. Long after the mother country had relinquished, for ever, the arts of persecution, they found votaries in the constituted authorities of the colonies: and the northern states, at the end of the seventeenth century, afforded the disgraceful example of that spiritual tyranny, from which their territories had originally served as an asylum. The century which has just elapsed, moderated this odious spirit: but, to this day, the northern states are chiefly distinguished from the others, by a taint of religious bigotry,—as the character of the middle states is modified by the greater mixture of different nations, which have contributed to people them—and that of the southern provinces, by the admixture of negro slaves. In the middle states, the mercantile spirit has gained more ground than
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in any of the rest: the diversities of race have rendered the sentiments of patriotism, and the love of liberty, less ardent—while the variety of religions has prevented the introduction of that fanaticism, of which we have traced the effects in the north. In the southern states, the contrast of servitude has mingled an aristocratical spirit with the manners of simple husbandmen; and the climate, by promoting the growth of an article belonging to the class of luxuries, has given rise to a species of agriculture bordering upon the great gains and uncertain prospects of commercial speculation.

In all the colonies, however, of the northern continent, a respectable national character may be said to prevail. If their intercourse with the mother country would have had no tendency to civilize or adorn her, it could certainly have in no degree contributed to the corruption, either of her moral or political habits; and the most rapid interchange of population could only have tended to embellish the American society, and to vary its accomplishments—while it rendered a service to the British manners, by the intercourse of a more simple and virtuous people. Unfortunately, the very circumstances which necessarily laid the foundation of those habits and that national character, insulated the population of the colony from that of the old world.

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The colonies were stationary, for the same reason that they were respectable; and the circulation of inhabitants, with all its effects upon both parts of the empire, has been maintained and accelerated in other colonies, placed in circumstances which rendered those effects unfavourable, at least to the mother country.

2. We have seen, that the agriculture of the West Indian settlements has always been of a nature nearly allied to mercantile adventure. The persons who emigrated thither, have accordingly been either those who wished to derive vast profits from a large capital, with considerable risk—or those who, without any substance, and ruined, perhaps, at home, wished to catch, by other arts than laborious industry, some of the overflowings of the wealth accumulated by the former class. The spirit of adventure, which has for its object, either the rapid increase of stock, with proportionate risk, or the acquisition of some fortune, without the ordinary means of toil and hardship, is unfavourable to morals, and to manners. In the class which possesses capital, it is allied to the love of deep play; in the class which has nothing to lose, it gives birth to meanness and dishonesty.

A colony, composed of such adventurers, is peopled by a race of men, all hastening to grow
rich,

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rich, and eager to acquire wealth for the gratification of avarice or voluptuousness. It is an association formed for one common end, which, in the eyes of all, justifies any means: and that indulgence which every one requires, no one is disposed to refuse. The continuance of the members in this society, is as short as possible; and the same prospect of soon leaving the spot—the same views which induce a sacrifice of present ease to future luxury, and a neglect of the common conveniences of polished society—leads also to an indifference about those higher ornaments, which become the mind, and, when once given up, cannot again be assumed. ‘ Let us make money, that we may spend in London, Amsterdam, or Bourdeaux—*Querenda pecunia primum est, virtus post nummos.* We are now in the mine: though it be unpleasant and unwholesome, we shall soon repose on beds of down: only let us get wherewithal to purchase them; and the object may justify the means, as it reconciles us to the toil. What though our conduct is incorrect, and our manners dissolute? We shall accommodate to those of our European countrymen, when we return—as we threw off the hampering trammels of European maxims, when we crossed the Atlantic. Let us but make money now, and we shall afterwards have time to build churches, and endow hospitals.’

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Such, I fear, is the natural language of men in those circumstances. But their manners are affected also by other peculiarities in their situation. The want of modest female society—the necessity of gratifying the desires engendered by a burning climate—the abundance of unhappy women, whose blood boils with still stronger passions, and renders them, in the European's eyes, only an inferior race, formed for the corporeal convenience of their masters—these are other causes of dissolute morals. The want of female society, while it brutalizes the minds and manners of men, necessarily deprives them of all the virtuous pleasures of domestic life, and frees them from those restraints, which the presence of a family always imposes on the conduct of the most profligate men. The witnesses of the planter's actions, are the companions of his debaucheries, who reek with the same lust, and wallow in the same gluttonous mire; or the wretched beings, who tremble at his nod, while they minister to the indulgence of his brutal appetite, and impose no more check upon his excesses, than if they wanted that faculty of speech, which almost alone distinguishes them from the beasts that surround them.

The kind of industry which forms the occupation of the lower orders, is of a very different nature from that which clears the forests of the continent.

continent. The unfitness of European constitutions to endure the heats of a tropical sun, renders all work in the open air fatal to health. The honest exertions of the inferior whites, are therefore confined to superintending the labour of others, by a delegated power over the slaves; and to certain details of commerce, which give a very different occupation to the mind from the employments of tillage. The labour of the husbandman is unremitting and exhausting;—it leaves no moments, nor strength, nor desire, for pursuits of vicious indulgence, even if the scenes of its exertion were favourable to the gratification of the looser passions. The shepherd, whose life is more idle and easy, has not the opportunities of indulging those passions, to which the neighbourhood of a city, and his own idleness, would give birth: his solitary occupation, therefore, begets habits of contemplation, coupled indeed with indolence, but not unfavourable to purity of mind. The needy adventurer, who strives to grow rich, by superintending herds of human cattle, or by managing the easy and subordinate branches of a divided business, without any continued exertion of mind, and with little or no bodily labour, has all the idleness of the shepherd, without his solitude and contentment—all the temptations to vicious excess, which constant interruptions

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of employment, uniform bodily ease, vacancy of thought, and the opportunities of indulgence, can hold out.

But the labour, which is not performed by Europeans, or Creole whites, is devolved upon Africans, from whom the coercion of a master's arm can alone extort the necessary portion of work. The whites form a class of superior men, proud of their palpable distinction, and viewing their slaves as creatures of a subordinate nature, made for their use or their pleasures, and bound to move by the impulse of their will. Hence arises the most disgusting contamination with which the residence of the new world stains the character of the European—a love of uncontrolled power over individuals—a selfish reference of their situation to his own wants—a disgraceful carelessness about the happiness of a race, with whose enjoyments he cannot sympathize—a detestable indifference to the sufferings of his fellow-creatures—and a habit, no less odious, of indulging, at their expence, every caprice of temper or desire. Such seem to be the necessary effects of that unnatural state of society, which allots the sweat and dust to the African, and reserves to the European, the fruit and the shade.

In situations far less unfavourable, the same consequences appear to have attended the institution

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tution of domestic slavery, among the most polished nations of the ancient world; although their minds were cultivated, and their manners embellished, by all those happy combinations of circumstances which gave splendour to the meridian height of the human genius; although the slave was of the same race with the citizen—his equal in civilization—sometimes his superior in accomplishments; although the master was surrounded by his family, watched by the severities of republican virtue, and either taught the lessons of wisdom, or received them from the sages, whose precepts have guided the conduct of succeeding ages. This union of profligate and inhuman manners, with the elegance and the general worth of the classic times, affords indeed no palliation of the evil; but it may teach us, how inseparable those consequences are from the institution itself, when all the virtue and accomplishments of antiquity, however much they may have obscured, could not counteract them.

If, then, the universal prevalence of speculation mingles, with the character of the West Indian colonist, that spirit of gambling, which forms the justly contemptible habits of the horsejockey, and numbers among the unfortunate men who devote themselves to this occupation, a much greater proportion of sharpers, than

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than there are to be found unfair traders in any honest calling;—the dominion over negro slaves, adds to the same turn of mind, that odious cruelty, which renders the cockfighter as much an object of detestation, as the jockey is of contempt.

To the lowest orders of the community, the nature of West Indian produce cannot fail to hold out the opportunities of cheap dissipation. As the peasants of Europe, in the countries of the vine, are uniformly observed to be of a more irritable temperament, and more given to excess, than those of corn districts, partly from the fluctuation of their gains, and partly from the abundance of intoxicating liquors: so, we may expect the lower orders of the colonists to be affected somewhat in the same way, by the concurrence of the very same causes—an uncertain profit, and easy access to spirituous mixtures.

Such, in general, are the modifications which we might suppose the manners of Europeans to receive from the peculiar structure of society, and the nature of the occupations in the West Indian colonies. It is almost unnecessary to remark, that the picture is a general one, applicable, indeed, to the great bulk of the population, but liable to many individual exceptions; so much the more honourable, as the common failings were more natural.

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Various modifications are likewise produced, by the original diversities of the European character, and the subordinate varieties in the circumstances of the different settlers. The Spaniards, for example, have a temper more inflexible, and less apt to be moulded by the circumstances of situation, than any other people in Europe. Their haughty deportment towards inferiors, and their jealousy of equals, has generally been softened, by their generosity and dignity of character, into indifference towards those who are implicitly submissive. Thus, the habits of the Spaniards are less apt to be changed, and their slaves are better treated, than those of the other colonists. The great distinction, however, in this respect, arises from the indolence of their character. While they were led over the seas and mountains of the new world by the spirit of plunder, they certainly did not fall short of other adventurers in cruel treatment of their captives. Now, that an indifference about gain has succeeded to their former eagerness after all sorts of booty, we find them no longer the same insatiable masters either to the Indians or Negroes.

The Dutch, on the other hand, who grovel after every kind of profit, whose spirit for gain is tempered by no dignity of character, and, prompted by the competition of large capitals,
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are, of all the nations in the West Indies, the most inhuman masters, and the most pliable in worming themselves into the various habits of gainful speculation.

Between those extremes, are the French and English, rather too far removed from the Spaniard, and not excused by that necessity which spurs on the Dutchman to make a living profit. The two nations differ in original character; and, accordingly, we find, that West Indian habits have more power over the versatile Frenchman, than over the more stiff and stubborn Islander.

We shall afterwards have an opportunity of tracing the various effects of character and circumstances upon the resources of the different powers in the West Indies; and, more particularly, of viewing the consequences of that system of credit which is peculiar to the commerce and agriculture of those colonies. At present, it is sufficient to point out the general qualities of that mass, through which there is constantly circulating a large portion of the population most important in determining the manners of the European nations.

Men of respectable characters and accomplishments remove to these settlements, and certainly ameliorate, upon the whole, the state of their society. By degrees, however, they partake

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take of the general contamination, and fall, at least to that point to which they raise the standard of morals and manners in the new scene. Upon their return to their native country, their habits are too deeply rooted, to be shaken off; and their influence is not inconsiderable upon the society in which they mingle. Others find in the West Indies, a station congenial to their former lives; but they return still more depraved in principles and taste, armed with an influence which they did not before possess, and no longer insignificant (at least in a trading country) from poverty and meanness. Upon the manners of the European nations, then, the circulation of inhabitants to the West Indies, has exerted an influence evidently hurtful: and as this circulation is greater between a mother country and her colonies, than between any state and a foreign province; so, the injury to national character, arising from this source, may be entirely ascribed to the colonial policy of modern times.

There are, however, some circumstances which may serve to balance the bad effects of West Indian manners, and which flow from the very same causes that have produced the contamination. We shall afterwards have occasion to remark the encouragement which all colonies give to marriage in the mother country, particularly among the middle ranks of life, by holding

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holding out the prospect of an easy provision for children. Perhaps no one cause contributes more directly to the purity of manners than this. Besides, the political character formed by the West Indian policy, is extremely favourable to the principles of independence, without any tendency to excite turbulence. The distinction of colour is a badge common to all the whites, and lifts them above the great mass of the community. It is an order instituted by the arrangements of nature, and marked by palpable and indelible symbols. The arrangements of society support the distinction, and confer signal privileges on its favoured possessors. Hence a general sense of equality among all the whites, from the great planter, down to the lowest mechanic who lives by his employment. When a blacksmith arrives at a plantation to shoe the horses, he approaches his employer, and takes him by the hand; performs his work in the stable; returns to the parlour; and thinks himself insulted, if the honour of his company is not requested to dinner or coffee.

While this independence, and feeling of individual consequence, tend to counteract some of the bad effects, formerly described, in the West Indies; it prepares those who have raised themselves in the colonies, and return home in a higher rank, for assuming the pomp and circumstance

cumstance of their new station, without any of the consequences usually produced by sudden elevation. It inculcates, too, a certain liberality of mind, and freedom from superstitious devotion to rank and power; often, indeed, curtailed by new mercantile speculations, but, in some instances, favourable to the general character of a class of men, not the most remarkable for liberality of views, or independence of conduct.

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Lastly, it deserves to be considered, that the West Indian adventurers, who have acquired capital in the colonies, return with all the restless desire of augmenting it, not by hoarding, but by speculation; and are generally influenced by the vanity of freely spending their gains. Compare the sordid manners of the person who has made his money in a small trade, with the profusion of one, risen from a lower rank, who has made his fortune by colonial enterprise. The latter may indeed encourage luxury and extravagance; but this is neither the excess most to be dreaded, nor most pernicious to a mercantile and polished society. The demand for the productions of the more elegant arts, which such men create, however ridiculous in them, and however indiscriminate, tends to improve the manners of the community, by encouraging a species of industry, not much favoured
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in a country merely commercial or agricultural. These men, if they vest their money in land, commonly introduce a bad state of manners into the neighbourhood; but if their numbers are not very great in any district, they, upon the whole, do more good than harm, by introducing a spirit of active improvement, and a liberality of views, which are not the growth of ancient families, and rural occupations.

The effects produced upon manners, by that circulation which takes place between the states of Europe and their conquered provinces in Asia, are, in all respects, different from those which we have been considering; and, in several points, the very reverse.

The adventurous spirit is peculiar both to the western and eastern emigrant; but the general change of character is very different, and much more complete in the latter. A residence in the West Indies tends to debase the European character. A residence (generally much longer) in the East, mixes it with a character completely different, both in a moral and a political view. The manners of the settlers in the West Indies have been formed by the situation of Europeans, transported to new countries, of which the natives have been long extinct, and were never so far advanced in civilization, nor so considerable in power, as to offer any models for imitation.

imitation. In the East, the same men found a vast empire, or rather many vast empires, of ancient grandeur, and extensive power, inhabited by an immense population of men, the most refined, if not the most enlightened, that have ever existed in the world. Among these nations, the new settlers gradually acquired a footing; and, in the course of many generations, extended their power, until they gained, much more by the arts of policy than the force of arms, an influence which they still maintain by similar means. There the European manners have always yielded to the more polished and luxurious manners of the Asiatics. Their forms of provincial government have been far more despotic, than either in the American colonies, or in the mother country. The policy of the Oriental states, eminently systematic and refined, has mingled itself with that of their new allies and sovereigns, and modified their political habits. The religious systems of the East, too, are more ancient, more widely spread, and more deeply rooted, than those of the Christian commonwealth. Fanaticism has never appeared among the new inhabitants of those parts; and, instead of attempting to make profelytes of the natives, the intercourse has only tended to weaken or confound the creeds which the Europeans imported with them.

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The manners and character, accordingly, introduced by the return of these men into their native country, have partaken largely of the refinement and corruption peculiar to Oriental society. Their luxurious habits, their love of elegance, and inactive relaxation, have accompanied them to the regions of the temperate zone, and have communicated a distinct tone to the circles in which they afterwards moved. Indolent, yet discontented with the more homely manners of their own country; averse to all laborious exertion of body or of mind; enterprising only in the pursuit of new pleasures, and ingenious in the arts of ministering to a corrupt and pampered appetite; the Indian grandees of Europe are little calculated to promote the active pursuits of their countrymen, by taking any direct share in their toils. To spend, and to enjoy, not to increase their wealth, is their object; but their expenditure encourages the exertions of others, and their enjoyments polish the manners of that circle in which they scarcely can be said to move. In a political view, the consequences of their Asiatic habits are certainly hurtful, at least to a free country. Their views are ill calculated for the meridian of a government, existing for, and by the people. Thus, although there is little doubt that their influence is, upon the whole, absolutely

lutely hurtful to their country, yet, it can as little admit of dispute, that the manners introduced by them are infinitely less injurious than those which are the growth of the tropical regions in the new world; while the tendency of their political habits is unquestionably much more hurtful.

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3. The European settlements in Guiana, we have already remarked, are in every respect similar to those in the islands. The habits and manners of the people, and the whole structure of the society, is exactly the same. But the Spaniards and Portuguese vary materially from all the other European nations, in the manners by which they have partly civilized, and partly corrupted, the continent of America. They differ, too, in this respect, considerably from each other.

The spirit of adventure excited by projects of mining, has arisen, at different times, to an incredible height. The attention paid to cultivation, and the more common manufactures, is trifling in comparison. The colonists of South America are supplied with many necessaries, and most ornamental articles, from Asia and Europe; whose fabrics are their standards of fashion and taste. As, however, a greater portion of the community remains stationary; as

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domestic scenes are more frequent and interesting; as property in land is less valuable, and more extensive; and as the national character of the Peninsula in Europe is distinct from that of the other countries, marked by a love of solitary enjoyments, and an indifference to the pleasures of social life; the manners of both nations in South America are, in general, much more pure than those of the Europeans in the islands. They are mixed, too, with a simple, though an oppressed people, whose yoke has grown much lighter since the improvement of colonial policy, and relaxation of the mercantile and avaricious spirit. The proportion of negroes is much smaller than in any other of the southern settlements: and the Spaniards, both from temper and policy, the Portuguese, from policy, treat this unfortunate race of men with a mildness, unknown in any of the other colonies which are cultivated by African labourers.

Accordingly, the manners of the Spaniards in South America are much less contaminated, either by the desperate spirit of hazard, or the unamiable cruelty which marks too generally the West Indian character. In refinement and elegance, they are much superior to the agricultural natives of North America, or to the temporary resident in the islands. The shifting population naturally imports the respectable, though indolent.

lent character of the Castilian, which is somewhat modified by the general tone of the majority of the whites. Next to the inhabitants of the Northern continent, we may safely place the Spanish colonists of Mexico and Peru.

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The Portuguese character, in Europe, is much less respectable than the Spanish. The mixture of Jewish blood is general, through the whole population of that country; however much it may be held in abhorrence. The Old Duke of Sidonia—when John IV. enacted, that all the persons tainted with this stain, should wear a slouched hat, as a mark of distinction—presented that impolitic prince with one hat, and put another on his own head, in the Royal presence. In the Portuguese character, the effects of this mixture are very easily traced. That extreme avarice which renders the Israelite penurious, laborious, and mean, excites the Portuguese (originally not unlike the Spaniard) to efforts of industry—trains him to the habits of the miser, and the arts of the cheat. In the new world, this mixture is still more prevalent, and its effects are more powerful. It is more prevalent; because the persecutions drove a number of that wandering and ill-fated race to seek an asylum in the Brazils; whither they carried their ingenuity, their perseverance, and their thirst of gain. It is more powerful; because the

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thirst of gain is more easily gratified in the country of gold and diamonds. But the circumstances which quench this thirst by large gains, relax the meanness of that parsimony, which more moderate profits render necessary. Riches are enjoyed when possessed, and avarice becomes subservient to luxury. The proximity of the mother country affords them the means of gratifying the more elegant tastes, and of procuring the necessaries of life, without drawing away their attention from more gainful pursuits. The neighbourhood of the African coast supplies the indolence of the rich with vast numbers of menial servants; and furnishes the avaricious planter with instruments of labour. We shall afterwards have occasion to see in what manner the peculiar employment of the negroes, together with the policy of the government, in the Portuguese as well as the Spanish colonies, has tended to mitigate the lot of those men. But the town negroes, though emancipated from the severe chains with which their countrymen in the islands are loaded, have received from their masters the contamination of dissolute manners, which the habits of slaves eminently fit them for acquiring. The government of Portugal has, by various sumptuary laws, attempted to restrain that spirit of luxury, which the wealth and the climate of the Brazils have fostered. By a refinement

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ment in absurdity, the use of those articles which are most peculiarly the growth of the colony, and its most valuable produce, has been restricted. The money that would naturally have been spent in gold and silver embroidery, has gone to buy and to maintain such a vast number of useless domestic slaves, that, in several parts of greatest dissipation and extravagance, they exceed the whites in the proportion of ten to one. Their manners are debased by servitude, and corrupted by example: their licentiousness is proportioned to the heat of the climate, and the extreme indulgence which their masters grant them. In such a community do the settlers from Europe, who live in the towns, become denizens: in such circles are the children of the more opulent Creoles brought up.

The dissolute character of the Brazilian towns, is accordingly represented by all travellers and historians in the most frightful colours. Without the glorious exertions of genius which covered its vices, St Salvador is polluted by all the most criminal parts of the Roman character, in the worst ages of the empire. ‘Tous les vices,’ (says an author, who may safely be quoted, when words only, and not facts, are wanted), ‘tous les vices qui sont epars ou rassemblés dans les

BOOK I. 'pays meridionaux les plus corrompus, forment
le caractère des Portugais de Bahia.'*

But this character is peculiar to the inhabitants of the great towns. In the villages and country districts, particularly those of the northern captainships, the manners may resemble nearly those of the West Indies. It is, however, through the towns that the population, which returns to Europe, chiefly circulates: and the communication between Portugal and the colonial capital, can have no good effect upon the manners of Oporto and Lisbon.

In point of political situation, the Spanish and Portuguese colonies are nearly on a level: In point of religion, they differ materially. The policy of the court of Madrid has uniformly excluded the Papal power and the Inquisition, from taking any share in the spiritual concerns of the colonies;—and the prevalence of superstition, though certainly much encouraged by the great numbers of monasteries and ecclesiastics, is far less remarkable than in the mother country. In Brazil, where the Inquisition has reigned in full power, fanaticism is carried to a height, unknown even on the banks of the Tagus,

* Raynal, Hist. Phil. &c. Liv. ix. chap. 53.—Burke's European Settlements, Part iv. chap. 5.—History of Brazil, apud Harris, Vol. ii. p. 134.

gus, and forms not the least disgusting feature in the colonial character.

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We have thus seen, that the same circumstances (modified by various accidental peculiarities and events) which have promoted the circulation of the inhabitants between the old and new world, and enabled the manners of each part to affect those of the other, have also given those colonies the worst moral and political character, which are most constantly brought into contact with the mother country by this intercourse: while, unfortunately, the tribes, whose manners were more simple, and lives more pure, have, by the nature of that situation to which they owed those advantages, always remained, in a great degree, insulated from the country of their ancestors; and are now, by the farther operation of the same causes, entirely separated from their filial connexion.

The political effects of the circulation of inhabitants, between a colony and the mother country, are still more remarkable than its operation upon the national character of the two districts. We have already seen in what manner this intercourse, by affecting the political habits of men, tends to modify the governments of both communities, in several particular instances. But their mutual relations are also materially affected by the same cause. The direct

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direct influence of government—the similarity of manners—the communion of views and interests, will always be stronger in those provinces, however remote, whose circumstances render the mutual exchange of population more constant. In this point of view, distance only operates as one impediment to such an exchange. It is an impediment, however, the effects of which may be varied and counteracted by other circumstances. It may be varied at nearly equal distances; as, in the different kinds of colonies which we have been considering, the agricultural have always less intercourse, and are less dependent on the mother country, than the commercial settlements. It may be counteracted, as in the West Indian colonies—more especially, when navigation has arrived at an advanced state. The inhabitants of an island on the other side of the Atlantic, may be more immediately under the eye of the government—more connected with the people of the metropolis—more intimately blended with the mass of the empire—and, to all intents and purposes, more truly an integral part of its population, than those who cultivate one of its contiguous districts.

In one respect, however, the remote and the contiguous provinces differ from each other: the chance of political separation from the centre of
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the state, is greater in those parts which are already separated by the hand of nature. The communication between Paris and Ireland, is certainly much cheaper and easier, than between Paris and Marfeilles ; yet the boundary of the sea, and the definite form of the land, inculcate into the minds of men, the idea that the north and the south of France are one continuous country ; but that France and Ireland are two different territories, the one a continent, the other an island. The government may, indeed, dispatch its orders to both, with equal celerity ; but it cannot command the ideas of men, arising from a constant view of sensible objects : and those ideas are the rules of human thought, to which every government must submit, in order to command. As, therefore, the first object of every nation, is to preserve its independent existence, and to keep its social union entire ; so, the first object of colonial policy, is to preserve the union between the near and the distant provinces of which the empire is composed. The means by which this object is accomplished, in the natural course of things, are infinitely more powerful, certain, and safe, than any which the restrictive interference of legislation can devise. In general, government can do nothing more than assist the development of these, and remove such obstacles as are opposed

BOOK I. to their operation, by the ancient errors of statesmen, in less enlightened ages, and the unruly passions of men, which must commonly be directed by a partial submission to their force.

Those natural ties, which tend constantly to maintain and strengthen the connexion between the different parts of the empire, next to the circulation of inhabitants, formerly discussed, are, chiefly, the four following—the circulation of capital; the intercourse of commerce; the weakness of the remoter parts; and the relations of a common origin, similarity of customs, and identity of language.

1. The circulation of capital arises, partly, from the circulation of population, and, partly, from the necessity, which all new and understocked communities feel, of supplying their want of capital, by paying well for the use of capitals belonging to the stationary inhabitants of older countries. As every stockholder feels a repugnance at trusting his capital long out of his sight; but more especially at confiding it to the honesty of those who are subject to different laws, and exposed to the justice or caprice of a different government, which may, immediately after the loan is concluded, go to war with his own country:—hence, no extensive loans are ever made to the farmers or merchants of
foreign

foreign countries, or to the planters of foreign colonies. But it is wonderful how large a proportion of the capital, employed in raising, as well as of that employed in transporting and circulating the commodities of any colony, belongs to the monied interest of the mother country. These loans are, in general, obtained from the merchants engaged in the colonial trade; who are tempted, not only by a higher rate of interest than is ever given in the home money-market, and by the advantage of having their interest, or annuities, paid in kind, according to the colony prices, while they sell the commodities at the European rates—but chiefly by the profits of commission on consignments from their debtors, who are bound to give them this advantage, and are, indeed, always their correspondents in trade.

The conquest of any colony, by a foreign power, would not only render men less willing to lend their capitals upon equal profits, but might diminish the profits by all that part which is made upon consignments; inasmuch as the new masters might, and probably would, impose such restrictions upon its commerce, as would effectually put an end to the correspondence which attracts the loans.

The same effects, though perhaps in a less degree, may be produced by a separation arising
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from rebellion. The natural consequences of external and civil war, is, that the capital employed in colony loans will suddenly be withdrawn; and so much of it only return to its former employment, as men may carry over with them, when they are under the necessity of repairing thither, to increase their incomes. This can only be a very small proportion; because the separation renders men less willing to remove thither; and because those from whom loans were obtained, were merchants carrying on extensive trade in Europe. Besides, such a use of capital cannot assist those planters, who formerly carried on their business with it: It does not continue in the form of loans to them; but is vested in the speculations of the real proprietor, now become a colony merchant, or farmer. We shall afterwards have occasion to see the extent of credit in the colonial cultivation of every nation: we shall see how much more of the capital employed in the French, Dutch, and English settlements, belongs to European correspondents, than to the proprietors and inhabitants of the colonies; and how little finds its way to one settlement, from the mother country of another. The nonresident proprietors, in the event of any political change, naturally endeavour to sell their property to the resident colonists, or to the inhabitants of the conquering

conquering nation—unless they choose to remove to their property themselves: and such a sale or removal is always dreaded as unprofitable and disagreeable. Every such change of political relations, then, is unfavourable in the extreme, both to the colony, and to a large proportion of the commercial and monied interest of the mother country. As such, it will always be much dreaded, and as carefully as possible avoided, by both. Thus, the great interests of both parts of the empire always coincide: and, while the peace of the whole is regarded by the government, it is anxiously watched over by the colonial planters and factors, as well as by their correspondents, creditors, and principals, who reside in the metropolis.

2. The commercial relations are, in the same manner, though in a less degree, calculated to promote the union of the different parts of an empire. All change of business, all shifting of capital or industry, from one occupation to another, is much to be dreaded, as full of difficulty, attended with some risk, and with much real expence. Such trouble and loss is indeed very trifling, if divided among the whole years during which the new commercial relations, or the new branches of industry, may continue to subsist;

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subfist; for it occurs but once. This once, however, is the first year; and, in it, all the loss and labour is accumulated. Where so much depends upon credit, it may prove fatal; and where so much of that credit is, at the same time, withdrawn, it must prove fatal in a great number of cases. The prospect of expence and difficulty is immediate: it stares the planter, merchant, and his dependents, full in the face; and presents itself as the companion of the first year, during which, a new order of things shall take place. It is to be the instantaneous effect of their exertions; and, whatever bad spirits may have found their way into the colony, or whatever bias they may have succeeded in giving to the speculative opinions of the inhabitants, the prospect, just now alluded to, meets every incentive to active disobedience, and thrusts itself upon the notice of the community, the moment they are called upon to act. Traders, indeed, are the men upon whom speculative notions take the least hold. They are but untractable subjects for the attempts of visionaries and malcontents. To retain their routine of profit, they will submit to many real inconveniences. Insults to themselves, when they only touch their honour, without affecting their purse, are felt with little acuteness; and the general injuries or wrongs of the community, are

are of no more consequence, in their eyes, than the entries of a neighbour's ledger are in balancing their books. S E C T.
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So long, then, as the existing relations of commerce are profitable and convenient, a rupture or separation of any kind, will always be dreaded by the mercantile part of the community, in both quarters of the empire. And, to the purpose of our present argument, the planters of almost all the American settlements may be reckoned in this class.

It will be dreaded by the mother country, in as much as an independent government in the colonies may deprive her of those preferences which she has secured to herself during the union; and in as much as treaties of commerce are, in the present state of national policy, often granted by the caprice or theories of rulers, without regard to the real interest of the community *. It will be dreaded by the colonies, in as much as various privileges which they possessed during the union, would no longer be continued, after a rupture; and in as much as the extensive commerce and resources of the conquering state, could afford a temporary injury, or inconvenience, in order to give the rulers and the people an opportunity of gratifying their revenge. It will be dreaded by both colonies and mother country, if it is effected by foreign

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reign conquest; in as much as the new yoke of an enemy is always more severe, and the restrictions of his monopolizing policy more rigid and exclusive.

3. The two ties, arising from circulation of capital and commercial relations, are very much modified, in different colonies, by the circumstances that strengthen or weaken the third bond of union, which we have mentioned—the dependence of the colony upon the mother country, for defence and public supplies.

A colony, engaged entirely in agricultural pursuits, increases more rapidly—is less exposed to invasion from an enemy, or to the military force of the mother country—depends less upon the supplies of commerce or credit from the metropolis—is composed of members more high in their spirit, and more impatient of restraint, than the smaller and more valuable settlements, which subsist by the exportation of their produce, and are peopled by planters and merchants. The market of the former, is the great home market, and exists within the colony; that of the latter, is on the other side of the sea, and is necessarily in the power of masters or enemies. The inhabitants of the former, if driven to resistance by oppression or invasion, can not only arm a greater force in their defence, but, when exposed

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to attack from the coast, can retire to the woods and wilds of the interior. A proposal of this sort was actually dictated by the peculiar circumstances, and high spirit of the New-Englanders, during the critical events which attended the beginning of the American war. The planters of the islands, besides that they are never likely to entertain such a spirit, must, if driven from one coast, retire to another equally exposed. The agricultural countries of the continent supply themselves with necessaries: they can, as indeed they did on one famous occasion, dispense with those articles of commerce and manufacture which come from abroad. The islanders, and the colonists in the south, depend on their foreign commerce, for the bread which nourishes them, the clothes which cover them, and even the materials for building which shelter them from the heat of a burning sun. In every point of view, then, the independence of the agricultural settlements, and their desire to resist or to separate, is of quicker growth than in the southern colonies; and sooner attains to maturity in any continental settlement, than in any of the islands.

In all of them, indeed, we shall afterwards see, that an emancipation from their dependence upon the parent state, would be most conducive to

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the real strength of the colony, partly by creating a radical change in the government, and partly by assimilating the structure of the society in the islands, to that which prevails upon the continent. But such views, however just, are never likely to be imbibed, either by the colonists, or by the government at home. The former, accustomed to be defended by the mother country, look upon themselves as abandoned to the first foreign plunderers, when separated ; the latter, habituated to govern and protect, forgets that the same protection may be sought from other quarters, because it has never seen any attempt made to do without its assistance. We may safely assert, that the wonderful energies developed by the American States, during their struggle for independence, astonished themselves as much as their enemies ; and that, when they passed the Rubicon, few, besides their own sanguine leaders and their abettors, on either side of the Atlantic, expected any other consequence than absolute ruin, from a step which was universally believed to be the dictate of desperation.

4. The last circumstance which I mentioned, as influencing the relations of a colonial settlement towards its mother country, is the similarity of language, origin, and manners.

Besides

Besides the influence of these important circumstances, in promoting the interchange of inhabitants, the circulation of capital, and the relations of commerce, they have a great direct effect in uniting together the two societies, or parts of the same community, and in rendering both equally averse to a civil war. There is a sentiment of affection, which may, with the greatest propriety, be termed filial, from the colony towards the parent state. In ancient times, it formed, with a few exceptions, the only link that united them. The names by which such a relationship has been denoted, are all founded upon ideas of the same endearment and tender connexion. Without any compulsion, colonies have generally followed the fortunes of their mother country in those wars which manifestly endangered their own interests. The sentiment of affection to the country of our birth or adoption, is felt by the most corrupt and depraved parts of the human species. In all countries and ages, the inflictions which wound those feelings, have been ranked as the punishments, second only to the deprivation of existence. In spite of ill usage, or disgrace, or new habits, so strongly does this propensity of our nature, implanted in us for the wisest purposes, point towards the scenes of our birth and childhood, that the re-

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mission or expiration of banishment, is almost universally the signal for resuming a connexion, only interrupted by compulsory means; and the return of an exile to his native land, is one of the most powerful images which the poet can conjure up, when he would describe the excess of human felicity. The same feelings, I have said, appear to be excited towards the country of our adoption. The tender affection of the descendants of Israel, for that country in which they once found an asylum, has remained unaltered even by the persecution and contumely, which they have since experienced from it. Their love for Portugal is little inferior to that affection for their own Jerusalem, which sentiment and religious impression unite in calling forth. It exceeds their predilection for Poland, where they engross the trade—are protected and encouraged. The very mention of Portugal, brings the tear into the eye of an Israelite. To see that land, before he tastes of death, is the highest earthly consolation; and he contentedly resigns his soul into the bosom of Abraham, amidst the contempt and injustice of Christendom, provided he may lay his bones in a chest of earth from those happy plains which are watered by the Douro and the Tagus.

The West Indian slave, who has been torn from his country by force, cherishes indeed the recollection

recollection of former scenes ; but the society of those who have been the companions of his exile and his toils, binds him to his new home in preference to all other foreign lands. The appellation of shipmate is, among the negroes, the most endearing term that can be used ; and in every slave code that I have seen, the penalty of banishment is inflicted on crimes of the deepest dye, to which death is not awarded. It must surely be an instinct of no common force and universality, which can awaken the emotions of sensibility, or stifle the love of gain in the bosom of a Jew, and give the negro-slave a choice in the scene of his sufferings and bondage.

In all colonies, this instinct attaches the inhabitants to their own land, and the land of their forefathers. Its influence is naturally stronger among men of simple lives, like the agricultural colonists, than in the southern communities, where manners are much corrupted. But the prospect of a return, and, in general, the close connexion which subsists between the commercial settlement and the parent state, compensates, perhaps, the effects of national character. This tie, however, is the only one, of which the strength is not much less to bind the agricultural colonies, than the commercial settlements to the mother country.

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Such are the natural circumstances, in the relative situation of a state and its colonies, which, without any influence from positive institutions, must always so far counteract the effect of distance and local separation, as to render the political dismemberment a matter of very improbable occurrence at any given period, in which a statesman may be called upon to act. Those ties must always render a war between the colony and the mother country much less frequent, than between the country and any foreign power. As, however, the same ties bind the different contiguous provinces of a state together, without any diminution of their force, from distance and local separation; a dismemberment of those nearer parts is still less probable, than a separation of the colonial territories. Of all wars, therefore, in which a state may be engaged, a colonial war is the least to be expected: but, of all civil wars, it is perhaps the most to be looked for.

This consequence of local circumstances has, accordingly, rendered the relations of colonial policy more complicated than those of domestic administration; and politicians have fallen into their common error, by meeting the extraordinary difficulties of the occasion, not with unusual caution, more anxious attention,

tion, or nicer exertions of political skill, but with more violent efforts of legislative interference,—with a force of arm, intended to be a substitute for delicacy of finger. They have, as usual, sacrificed all prospect of governing well and easily, to the desire of securing, with certainty, a government, of whatever sort; and this certainty, they seem to have thought, could be readily obtained by issuing decrees, however artificial, and however ill-adapted to the circumstances of local and colonial relations. The system of policy which is founded upon the views of the mercantile theory, has been extended to the branches of government unconnected with commercial arrangements. And as the general interests of the community have been sacrificed, to fill the purses of a few individuals; so, the general interests of the empire have frequently been made subservient to the most narrow-minded sort of ambition which can inspire any cabinet—the preference of excessive power over a wretched province, to a moderate dominion over an extensive and flourishing empire. When, in the Second and Fourth Books of this Inquiry, we come to consider the different political measures that have been pursued for the attainment of those ends, and dictated by different views of colonial relations, we shall find, that the favourite line of colonial

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colonial policy has not always been better adapted to attain even its own object, than the expedients of the mercantile system have been calculated to promote its great end—the paving of the streets with gold. As, however, there can be no doubt that the views of the colonial system have been only, comparatively speaking, deficient, while the object of the mercantile system, when attained, would be utterly useless: so, it also happens, that the means adopted by the former have been much more successful than those attempted by the latter.

We have now taken a general view of the circumstances which influence the political connexions between the different parts of an empire, the effects produced upon the manners of each member by their mutual relations, and the various peculiarities which affect the strictness of the union that subsists between the different parts of a great system, composed, like the commercial states of modern times, of a mother country and colonies, or of provinces differently situated with respect to opulence, climate, and terraqueous position.

In considering the relations of colonial establishments to the mother country, and in estimating the political advantages derived from them, the supporters of the different œconomical

cal systems have entirely neglected that point of view from which we have been contemplating the subject. They have considered a colony as a foreign country, held in subjection by another state: not as a part of that state, connected with it by various ties, and deprived of the advantages arising from proximity of situation, in order to enjoy other advantages of greater value. They have considered that system, which is composed of a mother country and distant possessions, as a clumsy and unwieldy mass; a state, which drained its body, and divided its resources, in order to preserve a nominal and empty sovereignty over a remote people. It appears, on the other hand, more proper to view the establishment of distant colonies, as an extension of a country's dominions, into regions which enjoy a diversity of climate and of soil. An empire, so extended, cannot, indeed, enjoy the advantages of compactness and solidity; but these are irreconcilable with variety of situation, and are sacrificed in order to obtain it: in the same manner as a nation, by engaging in foreign commerce, subjects its resources to many casualties, to which those of an inland state are never exposed, and encumbers its operations with many trammels, from which they would otherwise be free,

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Pursuing the idea, that a colony is a remote and subordinate appendage of the mother country, political inquirers have examined the utility of all colonial establishments by two criterions,—the military force which they contribute to the defence of the empire—and the resources which they afford to its treasury.

If the colonies are considered as integral parts of the state, it is not necessary, in order to prove their utility, that they should supply a surplus, either of men or money, to the assistance of the other parts: it is sufficient, if they furnish the means of governing and defending themselves upon ordinary occasions. In critical emergencies, any one part of an empire may justly claim such assistance, as all the other parts can spare, after allotting to their own defence the necessary portion of their resources. This forms an essential part of the idea of a political union. But even if, in times of tranquillity, the colonies generally require some assistance from the mother country, the following considerations may satisfy us, that, nevertheless, they deserve such care, as well as any other parts of the empire, and as amply repay it.

1. The provinces of a state that lie contiguous, do by no means furnish supplies, either
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of men or money, in proportion to the benefits of defence and security which they receive from the government. S E C T.
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It is impossible to distribute the burdens of the national expence, with such equality, among the different parts of the community, that each shall bear exactly the share determined by its interest in the purposes for which the whole supplies are required. One part of the state always contributes more than its protection costs : the surplus goes to protect another part, which contributes less. An extent of country (for example) in the southern parts of Great Britain, as Kent, Suffolk, and Essex, equal to the extent of Yorkshire, or a tract of which the income is the same, does not contribute more to the revenue of the empire, than that county ; yet the sums required for the defence and government of the two districts are very different. I imagine the Members for Yorkshire would meet with much less attention, than they usually receive from the House of Commons and the country, were they to complain of this inequality, and to represent the defence and government of the southern counties as a burthen upon their constituents.

The province of Holland, according to the convention of Utrecht in 1612, paid no less than fifty-eight *per cent.* of the whole taxes levied by the

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the federal government upon the United States. This convention, the fundamental law of the union, remained in force upwards of an hundred and eighty years. The direct influence of the provinces was precisely equal. In point of precedence, indeed, Holland was only the second, Guelderland being the first in nominal rank, although it paid but five *per cent.* of the supplies; and the consent of the most trifling, as well as of the largest province was equally required to every act of the government. The money thus raised in so great a proportion from Holland, was expended in the service of all the states; in maintaining the navy and troops; in garrisoning the barrier towns; and in supporting that admirable system of police which each province alike enjoyed. Holland, then, defrayed a very considerable part of the expence required for the defence and government of all the other states.

It may be said, that, in the application of supplies to the purposes of national defence, each district of a country is equally benefited; and that the sums contributed by any one part to the defence of the rest, are expended in preventing a conquest, which would lead immediately to its own ruin. We shall afterwards shew, that the colonies are subservient to the defence of the mother country exactly in the same

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same manner. But, were we even to admit, that there is a difference between the two applications of the common stock against an enemy, no such argument can apply to the money employed in the domestic affairs of the state. It can never be said, that Yorkshire has a direct interest in the good government of Cornwall or Kent; or, that Holland is immediately benefited by the strict police, which it partly supports, in Groningen. Great Britain may be interested in defending Ireland, as the conquest of that island might be dangerous to her own independence. She seems, however, to view a separation by revolt, as equally dangerous; although such a neighbour could never be very formidable. And, at any rate, she defrays part of the expence of internal government; although, surely, the landed proprietors of Yorkshire, or Norfolk, are as remotely interested in the quietness of the counties of Kerry or Sligo, as in that of Jamaica or Barbadoes.

In short, the idea of a political union, involves the necessity of a common cause. It is necessary that the different parts should contribute to each other's support, without considering that they are divided by physical boundaries, or arbitrary lines. No state ought ever to give up any part of its dominions, without the
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most urgent necessity. Every such dismemberment is a diminution of reputation and of name,—a violation of duty to the part surrendered, and a sacrifice of those benefits, by which, in a short time, that part may be enabled to repay all past expences. One of the principal disadvantages of a federal government, is the encouragement which it gives to views of separate political interests, and calculations of unequal contribution towards the pecuniary supplies.

The supplies of troops which a state affords to its colonies, resemble the unequal proportions, in which different districts of the mother country contribute to the formation of her military and naval force.

Territories of the same extent, supporting an equal population, and possessing equal portions of wealth, will supply very different numbers of men to the public service, upon any occasion, which is not so urgent as to require compulsory levies; and the peculiar hardship of such levies consists, chiefly, in the equal manner in which they affect the different districts. The nature of the prevailing occupations, the rate of the wages of ordinary labour, and the state of manners, have all a powerful influence upon the proportion of loose and superfluous population, which is constantly shifting
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from one station or profession to another; and may always, by the temptation of a trifling bounty, a certain maintenance, a life of idleness, and the hope of plunder, be turned into the service of the state. A province chiefly devoted to agriculture, is inhabited by a race of men, sober, laborious, contented, and averse to change. It is not among them that an army can be recruited, unless in times of political or natural calamity. A district of country which supports a population of small manufacturers, living in separate houses, or little villages, engaged in some branch of business that is fed by an equable demand, and joining to their principal occupation the culture of a few common articles of consumption, (such a district as the West Riding of Yorkshire, and some parts of Switzerland), is nearly as unfavourable to the raising of soldiers, as a province wholly agricultural. A manufacturing town, where men are produced in abundance, or gradually collected from all parts of the country, and naturalized, habituated to society, and to a life of labour, that requires little variety of mental exertion,—trained to dissipation, and accustomed to change; this is the true depôt of military supplies, the natural head-quarters of recruiting parties. Of all such towns, that will furnish most abundant reinforcements, in

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which the spirit of speculation, or the varying demand for its staple work, or the unequal prosperity of the inhabitants, from whatever other cause, produces frequent variations in the rate of wages, suddenly throws idle a number of hands, or reduces the price of common labour below the ordinary pay of the army. Few towns have furnished more soldiers than Norwich, where the staple is an article for which the demand is very capricious, and the wages vary prodigiously in a short space of time. Glasgow, I have been informed, sent to the army, during the late war, between twenty and thirty thousand men,—a large proportion of the whole number raised in Scotland; although the peculiar circumstances of the Highland districts must have rendered them more than usually prolific in supplies of men: The population of Glasgow is not one twenty-second part of the whole Scottish population. *

The diversity of occupations and manners has, of course, less influence on the militia service, which is not voluntary. All the substitutes, however, will be drawn from those districts which most copiously supply the regular army: and it is not the least of the many objections to this species of national force, that it draws, to the occupation and habits of the military profession, a number of men from those

* Note E.

those classes which are naturally less adapted and less inclined to its pursuits; while every civilized nation contains a fund of idle and profligate men, who can never be so well employed as in the service of the state, and have no chance of being reformed by any other regimen.

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As for the maritime force of the country, it is almost entirely supplied from the mercantile navy, and that from the towns and villages along the sea-coast; more especially, from those which are situated on stations favourable to the fisheries.

No part of the mother country is ever so ill adapted for supplying men to the army, as those colonies which have not been long settled. They are understocked with inhabitants; the price of labour, and the profits of stock, are constantly high. In many colonies, it is not difficult to become proprietors of land: industry and sobriety prevail there; and those who have emigrated thither, are possessed with no passion less than the ardour for military glory. Yet, some colonies are less unfit than others for recruiting an army. Among these, we may reckon the West Indian islands, for reasons which were formerly given; although, indeed, the prevalence of negro slavery, by equalizing all distinctions, but that of colour, in

BOOK I. the way before described, has the effect of inspiring with a contempt of military duty, many, whom the peculiar circumstances of those settlements would otherwise have led into that direction.

In general, therefore, it will be for the interest, both of the mother country and the colonies, that troops should be sent out, and not raised upon the spot.

It will be for the interest of the mother country—because she can raise men much cheaper in her own manufacturing districts, among the scourings of her jails, and houses of correction; or in those foreign countries which have a constant superabundance of idle hands*—because the troops, thus embodied, will be contented with a pay and subsistence proportioned to that which they would receive on other stations, not to the rate of wages and living in the colonies—and because, even at home, it is always good policy to quarter troops at a distance from the province whence they were drawn.

It will be for the interest of the colonies; because they are constantly in want of hands; because their service is not sufficiently active
or

* A great proportion of the British forces in the West Indies, viz. the six battalions of the 60th regiment, are composed of foreigners, chiefly Germans.

or various, of itself, to form a good soldiery; because they receive, through the medium of the army, a valuable addition to the more polished part of their society; and because the drain in their population, caused by a sudden draught of men into the garrisons, could not be supplied from the mother country, so easily, as a partial vacancy in a fully peopled territory; more especially in the West Indies, which depend, at any rate, on emigration, for the supply of their ordinary vacancies.

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In the long run, it signifies little, whether colonies are defended by forces sent out to them, or raised among themselves. If a certain number of troops are necessary for this purpose, and a certain number of hands are required for the purposes of cultivation and trade, this population will be found, while labour bears a monopoly price, as it does in all new countries; and it signifies nothing to the population of the mother country, whether she sends out the supply directly in the form of regiments, or as emigrants, to fill the place of the troops which the colonies have raised.

While the colonies, then, are only viewed as distant provinces of the same country, it is absurd to represent their defence and government as a burthen, either to the treasury, or to the forces of the other provinces. It would surely

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be most absurd to say, that Norwich, Manchester, and Glasgow, were the bulwarks of Great Britain, and supplied her with land forces; or that she owed her navy to Newcastle, Liverpool, and Poole. It is cheaper and better for the whole island to get soldiers and sailors from those towns, than from among the landholders of Yorkshire, the corporations of London, or the universities of Oxford and Cambridge; as it is cheaper and better for those squires, and aldermen, and fellows of Colleges, to get their beef from Scotland and Ireland, than to raise oxen upon their prime lands, or in the stalls of their stables. Nobody, but an Irish patriot, or a Highland chieftain, would be vain enough to boast, that England is fed by their bounty: it would be as absurd for the manufacturing and commercial towns, to boast that she owes her defence to them. It is no less ridiculous for the United kingdom to complain, that she is at the expence of governing and defending her colonial territories.

2. The wars which a state undertakes, apparently for the defence of her colonial dominions, are, in reality, very seldom the consequence of her possessing those distant territories.

While the nature of man remains such as it uniformly has been, we have no reason to expect

expect that he will lose the characteristic mark of his species, which entitles him to the appellation of a war-making animal. Two nations, who would commence hostilities on account of their colonies, would never want occasions for quarrelling, had they no such possessions. So long as the affairs of states are directed, and their territories inhabited, by human beings, similarity of pursuits, proximity of situation, and equality of power, will constantly furnish the materials of ambition, and jealousy, and discord: nor will the propensity to dissension be much augmented by the trifling increase of intercourse arising from the points of contact being somewhat multiplied in a remote quarter of the globe, the interests of which must be much more frequently subservient to those of the mother country, than the guide of her conduct.

If Russia or Austria, indeed, should become possessed of territory in the East or West Indies, an interference of interests with Great Britain might serve to lessen the ties by which diversity of pursuit and local distance at present unite those powers. Yet, we do not find, that France and Spain, or Britain and Portugal, whose interests in Europe incline them to an alliance, are apt to separate on account of the proximity of their colonies; although no pow-

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ers can be more systematically jealous in their colonial policy than Portugal and Spain.

In fact, any influence which the circumstances of the colonies can exert on the dispositions of the parent state, is much more likely to be of a nature favourable to the maintenance of peace. So long as the different nations of Europe continue to view the possession of distant territories as an advantage to their commerce, and an augmentation of their power, they will be less inclined to enter rashly into any measures of aggression in their contiguous dominions. Whether this predilection for colonial establishments is well or ill-founded, its effects are the same. It did not signify much to the temporal affairs of the world, at least, whether the princes of Europe embraced the Romish or the Reformed religion, or which of the two systems was best entitled to belief; yet the independence of the States of Christendom was probably secured by the division of power which their religious differences occasioned. Many nations would, perhaps, be more profitably employed in the pursuits of agriculture and internal traffic, than in those of foreign commerce (which indeed all of them have anticipated); yet, from their foreign commerce has been derived an important check to the love of conquest, and the spirit of

of discord. In like manner, whatever effects may be attributed to the attention which has been paid to colonial policy, it is probable, that, instead of increasing, it has diminished the frequency of wars in modern times.

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The matter, it may however be said, appears in a very different light, when we attend to facts. The war of 1739 with Spain, it is alleged, began about the rights of the colony trade; and, in the end, drew France into the dispute. The war of 1756 is called a colony quarrel. And the American war, undertaken entirely in support of the rights of the mother country, involved her in a warfare with the other states of Europe. Such are the assertions of Dr SMITH *, Dr JOHNSON †, M. TURGOT ‡, and all those who maintain the inutility of colonies, or the gratuitous nature of the obligations conferred by the mother country.

The advocates for the colonists, on the other hand, assert, that the war 1739 was occasioned by a dispute between the British merchants engaged in the Spanish contraband trade, and the government of Spain; and they
allege,

* Wealth of Nations, B. iv. c. 7. pt. 3.

† Taxation no Tyranny,—Works, vol. x.

‡ Mem. Où l'on rabaisse le produit des Colonies à sucre.
—Politique de tous les Cabinets de l'Europe, tom. iii.
ed. de Segur.

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allege, that the war of 1756 owed its origin to the views of traders engaged in the Indian traffic, and to the claims of the Crown upon the North American territories. *

But whatever circumstances may have involved Great Britain in a colonial warfare, upon either of those occasions, a little reflection will shew us, whether the contests were occasioned by the possession of territories in America, or only broke out in that quarter of the globe, as well as in Europe, in consequence of the relations of European politics between the different powers possessing territories on both sides of the Atlantic.

The policy of Sir Robert Walpole and Cardinal Fleury, had consisted in maintaining an amicable intercourse between the two great maritime powers; and thus securing to both, that tranquillity, of which they stood equally in need, after their exertions in the Spanish-succeſſion war. In consequence of this system, England had given up the alliance of the house of Austria, and quietly permitted her natural enemy to acquire an extension of territory at the expence of her natural ally. The treaty of Vienna (1733), the increased resources of France, and her formidable aspect towards the rest of Europe, would have

* Franklin's Examination before the House of Commons in 1766.—Canada Pamphlet, *passim*.

have been sufficient to awaken the salutary jealousy with which Great Britain is constantly inclined to view so formidable a neighbour. The pacific system, dictated by the exhausted state of both kingdoms, must have terminated with the mutual weakness which had excused it; and although neither Britain nor Spain had possessed a foot of territory in America, a rupture between France and Britain would have been the consequence of the situation of Germany; while Spain, instead of being the principal, would have been drawn into the quarrel as a satellite of France.

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While France had attained to a pitch of grandeur unknown since the best days of Louis XIV, the house of Austria, her only counterpoise on the continent, was weakened by an unsuccessful war with the Porte, equally ruinous to the finances and the army of the state. At this juncture, the Emperor's death involved his successor in a dispute with Bavaria for the Imperial crown; and the obvious interest of France led her to favour the cause of Charles VII, in as much as two neighbours of moderate strength are far less dangerous than one of great power. The house of Brandenburg seized this opportunity of prosecuting the systematic views of unprincipled aggrandisement, which have presided over its councils since the name of Prussia was known

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known in Europe ; and, together with the disputed dutchy of Bergen, seized upon the fine province of Silesia, one of the most valuable appendages of the Austrian monarchy. When the affairs of Europe were in this situation, it is absurd to seek, in the new world, for the origin of a war between Great Britain and the house of Bourbon. The ancient system of policy must have been blotted out from the memory of statesmen ; the love of present ease must have prevailed over every rational sentiment of prudence ; and the feelings of national predilection and animosity must have ceased to influence the minds of men, if Britain could remain an inactive spectator, while France, with the connivance of the Northern crowns, was calling new powers into existence, as counterpoises to Austria, and dividing among them the territories of her ancient and natural enemy. Nothing short of a political miracle, still more astonishing than any thing which the end of the century has displayed, could have continued, or renewed, the pacific system of Walpole and Fleury. The zeal which burst forth from the whole English people, at the insults offered to a few smugglers in the Charaibbean sea, was afterwards animated as strongly, and with somewhat better reason, by the wrongs of the Empress-Queen. Although Columbus had never traversed the Atlantic, the same clamours which unjustly drove
Walpole

Walpole from the helm, and plunged the nation into hostilities with Spain, would have forced the successors of that minister into a continental war, even if such a measure had not been called for by the plainest views of a sound and cautious policy. *

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The treaty which transferred Silesia from the house of Austria to that of Brandenburg, and secured to the former the Imperial crown, produced only a truce between the belligerent powers, according to the confession of one of their number, himself a principal party both in the war and the treaty †. The Empress-Queen was not satisfied to see her hereditary dominions dismembered, without a struggle. Those were not the days of Royal humiliation, and easy and thoughtless change of empire. The views of that high-spirited Princess were quite independent of the disputes between Britain and France in Canada.

The cabinet of Versailles, by a policy similar to that of Sir Robert Walpole, but carried to a very dangerous length, was willing to purchase a continuance of tranquillity, by a sacrifice of the ancient enmity between the houses of Bourbon and Austria. The alliance of 1756 was concluded, after many attempts on the part of the latter. Russia and Saxony, with the two Northern powers, warmly seconded the views of the
Imperial

* Note F.

† Fred. II. Hist. de la guerre de Sept-ans, chap. 1.

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Imperial councils; not from the influence of any intrigues, but from a jealousy of their ambitious and unprincipled neighbour. Frederic was now left in a more desperate situation than Maria Teresa had been in 1740; and the partition of his dominions among the combined powers (for the operations of such leagues seldom stop short at retribution) seemed altogether inevitable, if Great Britain should leave him to his fate. The same views of policy that inclined this country to add a continental war to her colonial dispute with France, would surely have directed her interference in the affairs of the Continent, if no distant possessions had distracted her attention. The war would have broken out in Europe a few months later than it actually did in America, and with a greater force on each side. The heroism of Wolfe and his army, instead of conquering on the banks of the St Laurence, would have joined the valour of their countrymen in Germany, and shared in reaping the laurels of Minden from a proportionably greater force of the enemy.

Upon one remarkable occasion, indeed, Great Britain did not interfere to prevent an ancient kingdom from being dismembered. But the circumstances of Poland in 1774, and of Prussia in 1757, were extremely different in two respects. The union of the three partitioning powers, rendered the single interference
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of either France or Britain wholly unavailing; and the interest of France would have been incalculably promoted, by their joint endeavours to preserve the independence and integrity of Poland. * In 1756, on the contrary, France was engaged in the combination against Prussia; while the vigour and resources of the Electoral house, unlike those of the factious and turbulent Poles, were sufficient to save its dominions, with the assistance of a powerful ally.

The American war was, without doubt, a colonial quarrel: yet, the same spirit of rivalry which led France to interfere in it, contrary to her most obvious interests †, would, in all likelihood, have broken out in another shape, long before the Revolution, if the affairs of the colonies had not furnished a pretext for the rupture. The short and harmless war between Austria and Prussia in 1778, (harmless and short, because the other powers were occupied with their colonial interests in America, and could not attend to it, or blow up the flame by their interference); the Austro-Russian war with the Porte; the affairs of Holland in 1787,—would have given ample scope for a contest between those two great nations, which seem fated never to remain in peace, unless when completely exhausted by hostilities. We know, that,

* Note F.

† Note G.

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that, even without waiting for a pretext, the cabinet of Versailles had entertained projects directly and indirectly hostile to Great Britain; had discussed the subject of invasion, and planned the acquisition of Egypt. A quarrel between them, whether arising from colonial or European interests, would have drawn the other maritime powers into the contest. Holland and the Northern states would not have deferred their armed neutrality, because the fundamental matters in dispute appertained to the affairs of the old world; and Great Britain, by the delay of a few years, would only have been exhausted at a more critical juncture, when the cause of order and of monarchy called for all those gigantic efforts of disinterested magnanimity, which the close of the century has witnessed.

It should seem, then, that in ascribing to the possession of colonies, the wars of 1739, 1756, and 1778, philosophers have been led into an error, not uncommon in any of the departments of science, and in none more frequent than in politics,—the mistake of the occasion for the cause, and of a collateral effect for a principle of causation. They have searched, in America, for the origin of misfortunes, of which the seeds lay nearer home—in the mutual relations of the European powers, the diversity of national character, and the belligerent nature of man

man ; as their forefathers traversed the Atlantic in pursuit of riches, which they might have found in their domestic resources—in the exhaustless mines of industry and art.

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3. The wars which a state carries on in the colonies or remote dominions, are attended with important advantages to the contiguous territories.

While the powers of Europe continue to set a high value upon the possession of distant colonies, a part of their efforts, when engaged in hostilities, will always be expended there. As the remote provinces are necessarily most defenceless, they will hold out the greatest allurements to plunder or conquest ; and as this colonial warfare must be always carried on almost entirely by supplies received immediately from the mother country, a great deficiency will consequently be experienced in the resources destined to conduct the other operations of the belligerent powers. The colonies thus occasion a diversion in favour of the tranquillity and security of the parent states. The strength and valour which might otherwise be exerted, in committing to the chance of war the independence of the European powers, are displayed in the distant regions of the new world, and exhausted without danger to the capitals. ‘Whoever’ (says a West Indian proprietor) ‘has made
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‘ himself acquainted with the history of the
 ‘ West Indian islands, cannot fail to have ob-
 ‘ served, that, whenever the nations of Europe
 ‘ are engaged, from whatever cause, in war
 ‘ with each other, those unhappy countries are
 ‘ constantly made the theatre of its operations.
 ‘ Hither the combatants repair, as to the Are-
 ‘ na, to decide their differences; and the miser-
 ‘ able planters, who are never the cause, are al-
 ‘ ways the victims, of the contest.’ *

Even although no great danger might arise to the independence of nations, from the war which would be confined to Europe, if the great maritime powers possessed no colonies; yet it must be remembered, that the prosperity of a state is ultimately endangered, by a contest which ends without any actual subjugation. In the present state of society, when the arts of peace are cultivated by every people, as the only solid foundation of military grandeur—when the existence of each government, and the maintenance of order in every community, depends on the fabric of public credit; an unsuccessful invasion is the second calamity that can befall a country: it is only surpassed in dangerous consequences by a successful invasion. The sums which a nation expends

* Edwards, History of the war 1793 in the West Indies, cap. 1.

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pend in subsidies to foreign powers, the armies which she sacrifices to the ravages of the climate or the sword, are well given up, to secure the incalculable advantage of domestic peace, although every remote enterprize should fail in its immediate object. Great Britain, for example, is happily unacquainted with the real calamities of war. She has spent some millions of money, which superior industry and skill soon bring back : she has suffered, in a part of her population (not certainly the most valuable part) a trifling blank, which cannot now be discovered : but the battle has never raged at her gates. While some of her children have fought in Egypt and America, the rest have sowed and reaped in peace, and have gained for the state, by their labour and ingenuity, those supplies of treasure, which its exigencies required. Men are too apt, in estimating the evils of war, to consider actual conquest as the only great calamity which can befall a nation. It is not always even the greatest of evils. But, at any rate, in the present situation of Great Britain, the evils of a formidable invasion, not speedily terminated, would be so incalculable, that it is needless to inquire, whether more ruinous consequences could follow from any change of dynasty. From those evils the country has happily been

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saved, by the wise policy which induces some modern states to pay their allies for being defeated, rather than to purchase the cheapest victories on their own ground; and by the expence of men and money, which has, indeed, ensured success in the colonies, but which would have been well bestowed, although conduct and courage had failed to produce their usual effects.

While their colonies thus render to the great maritime powers of Europe the important service of determining (as it were) the eruption of hostilities, to the extremities where it may spend a force that would have proved fatal to the nobler parts of the system, the structure of those distant communities is, in general, of a less delicate nature, and better adapted to sustain the shock of military operations. It is rather the maritime stations and the islands, than the more extensive agricultural settlements, that become the scenes of war between their European superiors. The majority of the inhabitants are men of desperate fortunes, or, at any rate, adventurers accustomed to danger and change. Few of them have any families, upon whom the hardships of war can fall with an intolerable weight; and little or no wealth is accumulated, beside what has been laid out upon the improvement of plantations and pens, or is
fixed

fixed in their stock. Credit is supported by the merchants and proprietors residing in Europe. Any devastation occasioned by the war, falls only upon the fortunes of the rich citizens of London, Paris and Amsterdam, who, for their own sakes, repair the losses of their property, and furnish new credit to their correspondents. But, in fact, the injuries to private property, occasioned by colonial warfare, are inconsiderable. Where the campaign, which terminates the fate of a settlement, lasts only for a few weeks, and the invaders have always the prospect of acquiring possession in so short a time, the contest is likely to be carried on almost entirely between the European forces engaged on each side; and the siege of a single garrison, or the capture of a few ships, will generally transfer the quiet dominion of an island. It is unnecessary to remark, how widely the warfare of independent states differs from colonial warfare in all these particulars.

4. We have hitherto supposed, that the burden of defending and governing the colonies falls wholly upon the mother country. If we examine the actual situation of almost all the European possessions in the new world, we shall find that they contribute essentially to both these purposes—more, perhaps, in proportion, than might be expected from infant communi-

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ties. The discussion of this subject, in its details, will come under the Third Section of this Book. But at present we shall take a rapid and general survey of the different colonies, in order to shew how falsely this part of the question has been often represented.

The Spanish and Portuguese settlements, after paying all their internal expences, afford a large revenue to the Crown.

The administration of the French islands was all provided for by taxes in the colonies; which, without falling heavy on the planters, left a considerable free revenue; and the duties levied upon imported produce (and altogether founded on the colonial monopoly) yielded a great balance, after defraying all the expences of collection. The whole expences of their American colonies, in the time of peace, did not exceed the revenue; and a great part of the colonial surplus was expended in public works of mere ornament or magnificence.

The exchequer of Great Britain, after paying out of the colonial fund all that part of the civil administration in the West Indies, which the colonies themselves are not obliged to pay directly, derives a considerable clear income: and part of the expences of the army are also defrayed by the islands. Those settlements, are, many of them, in their infancy—all of them susceptible of great improvement, and
likely,

likely, without any increase of expence to Great Britain, to afford her an additional revenue. They have already raised, and paid a large force, from the great bulk of the population, the negroes; and, in no part of the empire, does the militia duty fall so generally upon the subjects at so little expence to government. Every man fit to bear arms is attached to that body; and, even in times of actual service, no pay whatever is received.

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The settlements, both of England and Holland, in the East Indies, subject to the government of exclusive companies, cost nothing to the mother country, either for the civil or military supplies. On the contrary, those companies pay a premium, from time to time, for the renewal of their exclusive charters: this is, strictly speaking, a clear revenue to the state. The same remark extends to the Dutch colonies in the West Indies and South America.

The old colonies of North America, besides defraying the whole expences of their internal administration, were enabled, from their situation, to render very active assistance to the mother country, upon several occasions not peculiarly interesting to themselves. They uniformly asserted, that they would never refuse contributions even for purposes strictly imperial, provided these were constitutionally demanded.

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Nor did they stop at mere professions of zeal. During the seven years war, they raised and paid twenty-five thousand men, who, upon more than one occasion, saved the British army. They assisted in the conquest of Nova Scotia, and effected the capture of Louisbourg. In the war 1739, when their population and resources were very trifling, they sent three thousand men to join the expedition to Carthage: and a detachment of New-England troops, in the same war, took Cape Breton, under the command of General Pepperel. The privateers fitted out in the different ports of America, and belonging to the colonies, were, even at that time, both in numbers of men and guns, more powerful than the whole British navy, at the æra of its victory over the Spanish Armada.* Many parts of the colonies have, at all times, furnished large supplies to the naval force that was destined to protect them. The fisheries of New England, in particular, used to contribute a vast number of excellent seamen to the British navy.

At the beginning of the troubles in 1775, the united colonies, besides maintaining their whole internal police, were willing to offer a clear contribution of a hundred thousand pounds Sterling

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* Franklin, Thoughts on the Peopling of new Countries, Sect. 22.

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per annum, for one hundred years, towards a sinking fund for extinguishing the national debt of the mother country, on condition of being treated like the other parts of the British empire. The treatment of the colonial agents by the English government, prevented this memorable proposal from being formally made: but a state paper is still on record, drawn up by Congress, and distinctly expressive of their sentiments, to the above effect. *

The West Indian colonies, indeed, and the less favoured settlements on the St Laurence, have never been able to vie with such liberal offers. But, although the means of the United States were more ample, let it be remembered, that the same means would have enabled them to refuse all terms, and to employ their resources entirely among themselves. Indeed, until the rash, though not unnatural measures of the mother country, rallied them against her, their desire to preserve their relations of unity, and even of filial affection, was strong and unequivocal. Their distrust and animosities were all confined to their relations with each other. Nothing but the forcible interference of Great Britain could ever effect even a partial union among them, for the purposes of defence against France, and their Indian neighbours. The great patriarch of the colonies declared,

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* Franklin, Miscellaneous Pieces, p. 357.

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a few months before the first dissensions broke out, that it would be impossible for any thing short of absolute despotism in the government, to overcome their internal jealousies and contentions, and to unite them against the British name. *

May we presume to hope, that the colonial story of Great Britain will exhibit to future statesmen, a useful picture of the advantages which may fairly be expected from just views of provincial government; that it will hold out the prospect of certain success to the enlightened and generous policy which shall consider the parts of an empire, however situated, as members of the same political body; that it will display the possibility of retaining the distant provinces in the relations, not of subordination, but of union, even after they have become more worthy of bearing the same name, by their progress in wealth, in arts, and in arms; and teach every nation of Europe, which is happy enough to possess such settlements, how amply their nurturing care must finally be recompensed, even in a political view, by the efforts of their maturer age. 'All colonies,' says an eloquent and sagacious historian, 'are a kind of political children, and, as such, contribute to the honour, safety,

* Franklin, Canada Pamphlet, Sect. 5. See also Albany Papers, *passim*,

' safety, and riches of their parents, if those
 ' parents are not wanting to themselves. It
 ' is, however, very common for governments,
 ' as well as private persons, to fall into many
 ' great errors upon this head: such as, treat-
 ' ing young colonies with vast tenderness and
 ' indulgence, forming from thence very fan-
 ' guine, and sometimes very unreasonable ex-
 ' pectations; and, because these are not an-
 ' swered as soon as expected, falling out with,
 ' and disregarding, those colonies, at the very
 ' time when, if they had been attended to,
 ' they might have more than answered their
 ' expectations. It is likewise common with
 ' them, as well as parents, to grow unrea-
 ' sonably, I was going to say ridiculously, jea-
 ' lous of their offspring; and, by this foolish
 ' conduct, actually producing those mischiefs
 ' they endeavoured to avoid, and which could
 ' have been produced only by such endeavours.
 ' They are apt to fancy, that, because the
 ' children are settled at a distance, they forget
 ' that they are children; and, full of this
 ' idle fancy, they soon forget that they are
 ' parents, and begin to treat them with an ar-
 ' bitrary authority. Because they live at a dis-
 ' tance, and support themselves by their own
 ' labours, they make it their study to draw
 ' from them wherewith to maintain the luxu-

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ry and prodigality of those children who live at home with them, and are thereby become the objects of an irregular affection, which very soon degenerates into an excessive indulgence. Hence arise all those mischiefs that are so warmly deplored by those, who, if they would act with proper care and spirit, might easily amend them: for it is with colonies, as it is with children; nine times, in ten, their errors spring from the usage they have met with: and they are blamed for their miscarriages, by those who are actually the authors of those miscarriages, and ought therefore to blame themselves.*

I now proceed to consider the commercial relations between states and their colonial possessions. This is the only part of the subject that has been fully treated of by political economists: and we shall find, that the erroneous views which have prevailed upon the former branch of the question, materially affect their speculations in this department also.

* History of Peru and Chili—Harris's Voyages, vol. ii. p. 165.

SECTION II.

OF THE COMMERCIAL RELATIONS BETWEEN
A STATE AND ITS COLONIES.

THERE is no more fruitful source of error in political speculations, than the forgetting to consider how much of any plan is practicable, consistently with the nature of men, the necessary agents in its execution, and the subjects of its operations. The Abbé de St Pierre is not the only projector, who has deserved the name of visionary, by omitting the important circumstance of possibility in his speculations.

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The views of the œconomists are, in many parts, eminently exposed to this imputation. Admitting that the cultivation of the earth is the only direct source of national riches, and that agriculture can never receive too much encouragement from Government, it does not follow, that a demonstration of the political importance of this branch of industry, accompanied by contemptuous expressions with respect to all the other kinds of labour, will turn the attention of men exclusively to the plough, and seduce, from other pursuits, all that proportion of the community which is required to make

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make the earth yield the greatest possible quantity of subsistence. It is the business of a statesman to adapt his plans to the nature of men, the materials on which he has to work. He must avail himself of their faculties, by yielding to their natural dispositions: he must induce them to exertions, from necessity or temptation. As the farmer, in order to derive assistance from the vegetative powers of the earth, or the generative powers of animals, must accommodate his measures to the qualities of the soil, and the desires of sex; must protect the rising crop by enclosures, and shelter the female during her pregnancy: so must the rulers of a state excite the farmer to plant and labour, by accommodating to the wants and desires of his nature; by throwing in his way temptations to work; and by securing to him the undisturbed enjoyment of the fruits of his toil. The merchant who, by importing commodities, or the manufacturer who, by working up raw materials, tempts the peasant to follow his plough, has as great a share in raising the crop, as if, instead of handling the ropes or the shuttle, he had actually held the tail. In order to carry the strict mode of speaking, adopted by the economists, as far as consistency requires, we must confine the appellation of *productive labourer* to nature, or the Deity, exclusively. The farmer

farmer only avails himself of certain powers which the Author of nature has bestowed upon the soil, and the brutes, and the tools. The merchant and manufacturer operate, not upon the earth or cattle, but upon powers which the Maker of the world has implanted in the mind of the farmer, and which are as essential to its constitution, as their vegetative and generative powers are to the field, and the beasts of the field.

If the œconomists could discover some method of new-moulding the minds of men, or of making them labour the ground, without the prospect of gratifying certain desires beyond the mere appetites of hunger and thirst, they would certainly render an incredible service to agriculture, the real wealth of the state. But the agriculture of the state would be at least as much promoted by other discoveries. A method of making barren land yield crops without tillage or manure; or a method of impregnating females without the assistance of the male, would tend incredibly to augment the productive powers of labour, and the net profits of stock. The œconomists may probably find the one invention no less easy than the other. *

Even when the inducements to agricultural labour are furnished in abundance, we by no means

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means find, that the tastes of men lead them always to devote as much of their time and capital to that branch of employment as the interests of the community require. While circumstances of political arrangement hold out no extraordinary inducements to draw hands from the labour of the country to that of the towns, or from the home to the foreign trade, we find, that they by no means follow that order of progression which we should both expect as most natural, and desire as most advantageous. In all countries, manufactures and foreign commerce have been anticipated: they have contributed to augment agricultural labour, instead of deriving their origin from the highly improved state of rural industry, and the consequent superabundance of rude produce.

This circumstance has been fully described by Dr SMITH, in what may perhaps be considered as the most finished part of the whole work.* If he has omitted any thing in this inquiry, it seems to be the influence of caprice, and diversity of taste, on the pursuits of men. He has perhaps ascribed too much to positive institutions and political events, in explaining their effects upon the progress of national wealth. Independent of all regulations and systems of policy, the passions of men appear to turn their efforts

* Wealth of Nations, Book iii.

efforts into directions certainly not the most conducive to the advancement of the community, and not always the most beneficial to themselves.

The œconomists always recommend the direct and immediate encouragement of cultivation, without sufficiently attending to that law of nature which seems to prescribe gradual and connected measures as most sure of attaining success, and to prohibit man from flying at once to his object, without making indirect and circuitous approaches. ‘ Sage et heureuse fera la nation, ’ says M. Turgot, in discussing the question of colonial establishments, ‘ sage et heureuse fera la nation, qui, la première, sera convaincue que toute la politique, en fait de commerce, consiste à employer toutes les terres de la manière la plus avantageuse pour les propriétaires des terres, tous les bras de la manière la plus utile à l’individu qui travaille, c’est-à-dire de la manière dont chacun, guidé par son intérêt, les emploiera, si on le laisse faire ; que tout le reste n’est qu’illusion et vanité. ’ * If this is merely the expression of a wish, it may have some meaning ; it may import, that it would be well for any nation, if its inhabitants were so constituted as to adopt all the views most consistent

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* Politique des tous les Cabinets de l’Europe, tom. iii. p. 190.

sistent with the natural order of society, and distribute their industry in the channel most beneficial to their country, without any other impulse than their natural dispositions. If the passage which I have quoted is intended for a dissuasive against those pursuits which are found necessary to every civilized society, as the means of directing into the most profitable channels a due proportion of the national industry, and for a recommendation to attain that end by neglecting those means; then we may venture to pronounce it a pernicious doctrine—unless, indeed, its absurdity may disarm it of danger.

M. Turgot, it is true, was not one of the economists, although he adopted almost all their doctrines. But let us hear, upon this subject, the great patriarch of the sect. ‘Sommes-nous en avances,’ says Mirabeau-Pere, ‘et n’avons-nous plus de place pour les employer utilement, entreprenons des défrichemens, c’est bienfait; mais attendons qu’ils soient en plein rapport, pour qu’ils nous rendent nos avances. Avons-nous au contraire besoin de fonds, de produit et de revenu pour vivre au jour le jour: ne l’allons pas chercher si loin; défrichons notre enclos, et laissons aux aventuriers le soin de courir les aventures.’ †

And

† Philosophie Rurale, tom. iii. p. 240.

And again, in answering the objections which are urged against leaving the colony trade to foreigners, he adds, ‘ Si les conditions, relatives à la prospérité de l’agriculture, et que nous avons détaillées ailleurs, sont observées chez vous, certainement se feront vos propres denrées que ces colporteurs habitués et hazardeux prendront le soin de porter dans le nouveau monde : car aucune nation n’aura plus que vous des récoltes abondantes et à un prix raisonnable et constant, et de la meilleure qualité.’ * Surely, if any human regulations could suddenly render a nation so rich in all manner of surplus produce of greatest demand, that carriers would invariably give its goods the preference to their own commodities, and to the commodities of all other nations ; it signifies little whether this happy country engages in commerce or not. We only deny, that any direct legislative arrangements can produce such an effect upon a nation of men ; and we are only speaking of men as they exist. We maintain, that this very commerce is necessary to increase the surplus of valuable produce ; that the carrying nation will always endeavour to find it at home, rather than to purchase it from, and sell it to other countries ; that, of consequence, such a trade will be the means of en-

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* Philosophie Rurale, tom. iii. p. 242.

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riching, not the people who give it up, but those who fall into it.

Dr SMITH and his followers consider the colonial trade as advantageous, but impute many evils to the monopoly of that trade. If we examine the matter with the attention it so well deserves, we shall find, that most of the effects ascribed to the monopoly, are by no means essentially connected with it; and that, although they are the necessary consequences of the nature of the colony trade, yet that most of them are highly advantageous, and sufficient to counterbalance a few others, which, if considered by themselves, might appear detrimental.

This section, therefore, naturally divides itself into two parts—the relations of free colonial trade, and the effects of those restrictions imposed upon it by the commercial policy of modern Europe.

PART I.

OF THE RELATIONS OF A FREE COLONIAL TRADE.

I. THE commerce which a country carries on with its colonies, is, in every respect, a home trade. The stock and the industry engaged in it,

it, are employed for the purpose of circulating the surplus produce of the different parts of the same extensive empire, subject to one government, inhabited by the same people, and ruled, in general, by the same system of laws.

Every operation of this traffic replaces two capitals, the employment and distribution of which, puts in motion, and supports the labour of the different members of the same state. The trade of London, or Liverpool, with the countries round the Baltic and Mediterranean, replaces, indeed, two capitals; but one of these only is British:—the other puts in motion the industry of foreigners; of Spaniards, for example; or of Russians. The trade, on the other hand, which the same towns carry on with the British West Indies, replaces two capitals, both of which are British; and supports the industry of British subjects, in the same manner with the trade which those towns carry on between themselves, or with Edinburgh and Dublin.

In like manner, the profits of a colonial trade are all accumulated in the hands of the same people, and tend to enrich and aggrandize the same nation. The increasing wealth of Russia or Spain, can never benefit Great Britain, unless by the increasing demand for her produce which it may occasion. On the contrary, it may, and often is, turned against her wealth

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and power. The riches of the colonies have certainly the same tendency to widen the market for British produce, and can never injure the wealth or power of the mother country: on the contrary, such an aggrandizement of the colonies, is, in fact, an increase of the British empire, to whose general resources they will always be made to contribute, like the contiguous districts, when they have sufficiently acquired the means.

This is, without doubt, true, although there should be a very slow circulation of inhabitants between the mother country and the colony. But it holds more remarkably true, in the case of those settlements to which men resort for the purpose of accumulating a fortune, and with the intention of returning afterwards to their native country. These men, enriched in the colonies, distribute their money in supporting the industry of the parent state, either by their personal and family expences, or by engaging in trade, or by the purchase and improvement of land. They make way for a succession of needy men, who may repair to the colonies for employment and maintenance, whose place at home is instantly supplied, who are certainly never the most valuable subjects, who are often turbulent spirits, dangerous to the peace of old and regular communities, but by no means inconvenient, as Mr
Burke

Burke has well remarked *, in societies constituted like almost all new and distant settlements.

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This circulation in no way augments the mass of the national wealth; but it enriches that part of the empire which is of most importance: and although it may prevent the remoter branches from being able so soon to support themselves, and contribute directly to the strength of the whole body, yet it repays, in the mean time, that part which bears the burden of defending the whole, and tends to consolidate the different members.

The same effects are produced, in a still greater degree, by the number of West Indian proprietors, who reside in the mother country, and continually draw from their estates the funds of their subsistence, or the stock which they may choose to employ in speculations of agriculture, manufacture, or trade; while the management of their property gives employment to a succession of their poorer countrymen, who by degrees accumulate a competency, and return home, or promote the improvement of the colonies.

The class of traders, who, after acquiring fortunes in a foreign country, return to spend them at home, is far from numerous in any part

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* European Settlements, vol. ii.

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of Europe, as I have before observed. * But still smaller is the number of proprietors residing at a distance from their estates, and in a different country. There is not perhaps so much as one thousand pounds Sterling *per annum* drawn by British subjects in rents from the continent of Europe. But the rents of West Indian proprietors, who have never in their lives been across the Atlantic, may, without any exaggeration, be computed by millions.

Although this nonresidence is certainly hurtful to the colonies, as the residence of landholders in the metropolis is hurtful to the contiguous provinces; yet it increases the resources of the empire more immediately, by bringing a large portion of the colonial wealth under the immediate power of that government which defends the whole, and by nourishing the industry of that part of the system, which, during the infancy of the distant settlements, bears the largest share of the Imperial burdens.

In order to form a distinct notion of the advantages which a state draws from the wealth of its colonies, and from the riches accumulated by its subjects during a temporary residence in those parts, let us only consider the case of a great West Indian proprietor residing in Europe. The possessor of an estate in Barbadoes, for example,

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ample, living in London, pays taxes for his slaves, houses, &c. to support the government in defence of the island. This gross produce is then diminished by about a twenty-third part, which goes to the Imperial treasury. Out of the neat produce which he receives, he pays all manner of British taxes, and perhaps forms one of the monied interest who support government by loans, or contributions, in the various emergencies of public affairs. A proprietor of St Domingo, in like manner, residing in Paris or Bourdeaux, pays, first, the poll taxes and duties upon exportation from the island; then, the duties upon importation to the *domaine d'occident*; next, the various taxes laid on by the French government; and, lastly, he offers to the necessities of the state, a ready opportunity of borrowing; or, if the new method of finance should be persisted in, he is an easy prey to its rapacity. Although the county of Cornwall were not to pay a farthing of taxes to the treasury of Great Britain, nor to send a single man to the standing army; yet, if all its great proprietors resided in London and Bristol, paying taxes there to the state; if men from other parts of England resorted thither to accumulate property by the mines and fisheries, and returned home to spend their gains; if the Cornishmen paid the whole, or the greater part of the expence attending

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attending the civil government of the county, and served in the militia, without pay, as long as they were able to bear arms : we should certainly be entitled to call it an integral part of the empire, of great value to the Imperial concern as a source of wealth ; and to denominate that traffic a home trade, which is employed in exchanging against its minerals the cloths of Yorkshire, or the hardware of Warwickshire.

2. The commerce which a country carries on between its different colonies, is not a carrying trade, but a home trade ; the commerce which it carries on between foreign countries and its colonies, is not a carrying trade, but a foreign trade of consumption ; and that which it carries on between its colonies and foreign countries, in order to supply the home, from the foreign market, is not a roundabout, but a direct foreign trade of consumption.

The African slave-trade, for example, is a direct foreign trade of consumption. It consists of carrying abroad, from one part of the empire, a capital, replaced to foreigners in the first instance, and then replaced to another part of the empire. It is there joined to the home trade, or that between the colonies and the mother country, replacing, in the mother country, the capital originally employed. Such a traffic

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is no more roundabout, than the trade which consists of importing Portugueze wines in London vessels to Liverpool, and returns the profit to London in a cargo of Manchester stuffs. The capital, thus employed, puts in motion, first, the industry of London or the neighbourhood, by the articles required for the Portugueze market; secondly, the industry of the Portugueze, by the demand for the produce of their vineyards; thirdly, the industry of Manchester or Liverpool, by the cargo required for London, in return for the wines received from the London trade to Portugal. In like manner, does that branch of the colonial traffic, which has been called a roundabout foreign trade of consumption, put in motion the industry of some foreign people, and that of two different parts of the state to which it belongs, viz. the mother country and the colony.

3. As the different situation and circumstances of different parts of the mother country, renders one agricultural, and another commercial or manufacturing: so, the state of new settlements, which are always understocked in hands, and rich in land, renders them rather markets for the manufactured produce of the mother country, and causes them to make their returns in rude produce. Part of this rude produce

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duce wrought up, is used at home ; part exported ; and part sent back to the colonies.

The price of labour is always so high in those settlements; that their manufactures could never bear the competition of countries better stocked with inhabitants, unless in goods which admit not of carriage. Land, on the contrary, is cheap and fertile : and though the price of labour, of course, affects that of agricultural, as well as manufactured produce ; yet there is no competition in this case : and the soil of countries that are better peopled, not producing the same commodities, there is never wanting a market for the surplus.

The greater part of the new settlers in the North American colonies, were artificers ; but those who continued for a short time their former employments, soon gave them up, and either turned planters, or retailed imported goods, of the same kind with what they had formerly manufactured. This has been particularly remarkable in Pennsylvania, which contained a great proportion of German artizans. * In New-England, the abundance of furs encouraged a manufacture of hats. When that article grew scarce, the manufacture disappeared. It was more profitable, it seems, to pay for the beaver which had crossed the Atlantic twice, and been wrought up in England, than
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* Franklin, Canada pamphlet, § 4.

to send to the neighbouring province of Canada for the fur, and make it up on the spot. Braziers, cutlers, &c. frequently come to settle in all parts of North America. They continue, indeed, sometimes, to sell brass and cutlery wares; but they import them all from Europe. *

Although the population of those countries is increasing with wonderful rapidity, it does not appear that the wages are falling in proportion. Labour was no cheaper in Pennsylvania in 1751, than it had been in 1721. † Yet, the industrious and frugal manners of this province, were so favourable to population, that the numbers during the period in question doubled in sixteen years. ‡ Between 1721 and 1751, then, the population must have nearly quadrupled; so that an augmentation of numbers, in the proportion of four to one, had no sensible effect on the rate of wages.

The colonies where the labour of slaves is employed, are still less able to undertake any manufacture which can be procured in, and carried from, Europe or Asia. The labour of slaves is always dearer than that of free men. As some free men must always mingle their work with the slaves, they are likewise to be paid;

* Franklin, Canada Pamphlet, § 4.

† Id. Thoughts on Peopling of new Countries, § 3.

‡ Id. Canada Pamphlet, § 4.

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paid; and their labour is uniformly dearer, when part of the community is in a state of fervitude. Such colonies, however, do not furnish so wide a market for the produce of the mother country, as those which are peopled entirely by free men. The gains being accumulated in a few hands, and the bulk of the people being ill fed and clothed, and deprived of almost all enjoyments and conveniences, great fortunes are perhaps hoarded up, but not many are spent. This is, in a great measure, counterbalanced by the other indirect advantages which I have pointed out—by the circulation of people, and the non-residence of proprietors, natural to colonies in such circumstances.

In general, we may conclude, that new countries furnish a much more extensive market for the manufactured produce of other nations; than countries well stocked with hands; and that, of consequence, the state whose empire extends over such rising provinces, possesses, within its own bosom, a much more extensive market for the produce of the industry of its other provinces, than it could obtain in any of its more contiguous districts. The disadvantage of remoteness, is thus counterbalanced by the small number of hands belonging to the new settlement, which, in a fertile soil, and favourable climate, can indeed raise a most valuable supply of useful or desirable produce, but must trust

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to the better peopled districts for those articles, to the formation of which, nature contributes little. The natives of the old provinces are thus directly made partakers of the benefits of soil and climate exclusively enjoyed by the inhabitants of the new; while the latter, by increase of wealth, contribute essentially to the power and resources of the whole empire, and often add immediately to its opulence, by diffusing, over its central parts, that fortune which their temporary residence at its extremities has enabled them to acquire.

4. The market, afforded by countries newly settled under favourable circumstances, is not only extensive and advantageous to the industry of the older provinces, but it continually and rapidly increases.

The market afforded by almost every country, at least, in Europe, is gradually extended, but so slowly, that any one country, whose industry and frugality is great, and whose progressive opulence in surplus commodities, of consequence, is quickly augmenting, will find the demand of the European market very little greater this year than the last; not at all sufficient to continue the same inducements to new industry which were held out before; and still less calculated to accelerate the movements of labour and skill.

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But the greatest advantage that a nation can acquire from any trade, is, that the demand shall always be somewhat beyond the supply, that there may always be an inducement to activity and exertion. As the absolute number of inhabitants in a country is of less importance than the constant superiority of its resources to its population; and as the actual price of labour is of less consequence than its being always upon the rise: so, the extent of the market, whose demands call forth the industry, and employ the capital of a country, is of less importance than its progressive state. When the demand is stationary, the profits must diminish, unless the country declines; for, with equal industry, stock will always continue to be accumulated. The price of the labour, then, of that great labourer, a whole nation, will diminish likewise, and its wealth and industry decline. So long as the diminution of the rate of profits is only occasioned by the accumulation of capital, the symptom is favourable: the whole nation may be gaining, although individuals are not making such rapid and extensive fortunes. But if the diminished profit arises from a want of demand, it is not merely the rate, but the amount of the nation's gain, that is affected, and its whole wealth is diminished.

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It is indeed true, that a man who possesses wealth, is almost always sure to employ his stock in the manner most profitable to himself. But it is no less true, that he may often find it extremely difficult to discover a profitable employment. He may be employing it as well as possible, and gaining much more than if he were to follow the directions of government upon the matter, and may yet not find his profit sufficient, nor his gains such as they would be, were a new field opened. The settlement of a new country opens new sources of profit, creates an issue for capital which was ill employed, and renders that easy which was before difficult.

The discovery of America was, in this way, of as much advantage to Europe, as the introduction of foreign commerce would be to China. It opened a large market for the produce of European industry, and constantly provided a new employment for that stock which this industry accumulated.

Each nation, however, derives greater benefit from having this increasing market in one of its own provinces, than if it were situated in a foreign country. The benefit, in this case, is reciprocal: the mother country forms an increasing market for the colony, as the colony does for the mother country: and be-

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sides other advantages, before explained, when this reaction shall have augmented to a certain length the resources of the colony, it furnishes direct assistance to the common government. Besides, all traders find it more agreeable and advantageous, to deal with a state inhabited by the same people, and subject to the same laws: they are better acquainted with the character, manners, and language of their customers: they have a greater confidence in their debtors; and can more certainly obtain justice, when injured. They will always prefer frequenting a part of the same empire, though more distant, and less agreeably situated in point of climate: and such personal visits are often requisite in the course of mercantile transactions. The chances of interruption by wars, or of losses by public injustice, almost vanish; since nothing but rebellion, or civil war, or foreign conquest, can produce any consequences of this sort. Speculations can thus be undertaken with greater safety, and capital invested in a colonial trade with much less danger of any event that may render a change in the direction of it necessary. While, then, the new settlement remains in the situation of a colony, the merchants of the mother country will find it more profitable to employ their stock in trading with it, than if
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it were either an independent state, or a colony belonging to some other power. The advantages of the increasing market, which it supplies, will therefore be much greater in the former, than in the latter case.

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5. We have already considered the direct effects which the intercourse of a state with its colonies produces on the wealth of its inhabitants by the circulation of people. The consequence of this circulation must be an increase of numbers. But, by directly favouring the increase of their numbers, colonial establishments produce indirectly the same effect, of increasing the wealth of their parent states.

The colony being understocked in hands, is constantly affording a demand, not merely for the labour, but for the people also of the mother country. The cheapness and fertility of the land, and the high rate of wages, which promote the population of the colony in so rapid a manner, have some effect also on the population of the mother country. That class of the community who cannot afford to rear a family during the first stages of infancy, will not, indeed, be assisted by this outlet. Some of them, however, may be tempted to emigrate, and make way for others, or to struggle with the difficulties of their situation, in the

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prospect of emigrating, should no change of circumstances happen. But there is a great class in every society possessing the means of rearing children, and yet deterred from marriage, by their want of stock to settle their family, when grown up, in a way suitable to their station.

In civilized society, when a variety of fictitious wants and prejudices are introduced, and the ideas of a competency raised; more particularly, where the force of political institutions tends to favour pride of rank and external distinction; one of the greatest obstacles to marriage in the class of which I speak, is this fear of bringing into the world children, who may be left unprovided with the means of maintaining that rank which their parents held in society. The stock which supports them during childhood, will not, when subdivided, be sufficient to maintain them in a respectable station, that is, in a rank which does not require the assistance of manual labour: but the prospect of an easy provision for a certain number of the family in the colonies, smooths many of those difficulties, and removes the chief obstacles to that state which so many passions concur in recommending.

Any one may convince himself of the effect which such prospects have upon the marriages of
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the country, by observing how many families, of different ranks, both in Britain and France, provide for one or more of their children in the distant settlements of the East and West Indies. If such a mode of provision is common, it must have an effect in determining the marriages of many, who would otherwise be deterred by the fear of begetting day-labourers. It must have the same effect with those barbarous practices of exposure, &c. allowed in some countries of the East, whose population has no outlet by colonies. It will not always happen, indeed, that the issue of marriages induced by such views, are actually obliged to emigrate. They may not be too numerous for the funds of the family. Accidental circumstances, or the developement of rare talents, may detain them at home; or the desire of keeping them, may excite the exertions of the parents. But, at any rate, the population of the mother country gains all those members of the family who are not provided for in the colonies, besides such a proportion of the latter as return. The happiness of the mother country gains incalculably by the gratification which is thus afforded to the strongest of the human passions, without any excess hurtful to manners, and by that sobriety of conduct which the prevalence of the matrimonial state always promotes.

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The same effects by no means follow from the power of emigrating to foreign countries, in different circumstances—to a new settlement, for instance, belonging to another power, or independent of its parent state. The similarity of manners, of government, above all, of language, offers many inducements to change of residence. With the bulk of mankind, the opening to capital, industry, or talents, afforded by a foreign country, never enters into the calculation; while the difference of language presents an obstacle scarcely to be surmounted. Even if the language is the same, the difference of government is of vast importance to the views, more especially of capitalists, and almost equally of men who look forward to the acquisition of stock: and although the security afforded may be equal, perhaps superior, to what their own government holds out, the chance of a rupture is a consideration of great weight with men who mean only to change their abode, in order to revisit that country to which their hearts cling. The possession, then, of remote territories, understocked with capital and hands, is the only thing which can secure to the population of a country, those advantages derived from an easy outlet, or prospect of outlet, to those persons who may be ill provided for at home.

Colonial

Colonial establishments have been often represented as hurtful, by the drain which they occasion to the population of the mother country. The observations which we have already made on this subject, may serve to remove so very absurd a prejudice. But as the fact is frequently exaggerated, we shall add, that the population of a colony, however extensive, is never, in any considerable degree, indebted to the supplies of emigrants, unless in cases where the planting of the settlement is occasioned by an overgrown population in the parent state, as happened in some of the ancient colonies. There were, in North America, in the year 1751, above a million of English inhabitants: yet, not eighty thousand had come over from England during the number of ages that elapsed between the discovery of North America and the period in question.* Greater numbers have, perhaps, resorted to the West Indies; but, of these, a still greater proportion have returned home with their wealth,

6. The commerce which a state carries on with its colonies, replaces the capital employed in it more slowly, than either the trade between the contiguous provinces, or that which they carry on with neighbouring countries. Al-

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* Franklin, Thoughts on Peopling of New Colonies, § 22.

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though the profits, then, may be greater, and the merchant more benefited, the total gain to the community is less; in as much as a trade, with smaller profits and quicker returns, would put in motion, and support a far greater proportion of industry. Hence, the colony trade has been reckoned, by some excellent writers, a much less profitable employment of the national stock, than the foreign trade with the countries in the immediate neighbourhood.

But, it must be remembered, that the colonial trade has all the advantages of a home trade, except the quickness of the returns. It replaces two capitals; both of which support the industry, and ultimately augment the resources of the same community. In comparing, then, the quantities of labour severally put in motion by a foreign trade of consumption, and by a colonial trade, it is extremely inaccurate to take into consideration only the quickness of the returns, and to contrast the two traffics, as foreign trades differing in this circumstance alone. The former, however quickly it may return the stock that supports it, with the ordinary profits, replaces but one capital to each nation—one, for example, to the British seller, another to the French buyer. The latter, on the contrary, although the returns are more slow, replaces two capitals in the
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body of the same people—one to the British seller in Europe, another to the British buyer in America. Although, then, the foreign trade with Europe should be twice as quick in its returns, it puts in motion only the same proportion of industry with the colonial trade; and the latter affording, besides, higher profits, increases more the national stock.*

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The slowness of returns in the colonial trade arises from two causes:—the want of stock in new settlements; and their distance from the mother country.

The want of stock occasions a great demand for capital, and prevents the interest of money, and the rate of profits, in general, from sinking to the level at which they are found to stand in old countries. In America, at the time when Franklin wrote his *Thoughts on the peopling of countries,* the interest of money was from six to ten *per cent.* † In England, the market rate was from three to five; in France, somewhat higher; and in Holland, from two to four. We may be assured, that the colonists do not give such high interest, or run so long in arrears to their European correspondents, for nothing. They pay, either directly or indirectly, a higher premium for this long credit, than the traders of European nations: and

* Note K. - † 1751. *Vide Sect. 12.*

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and they can afford to pay it : for they employ their stock to much greater advantage, either in the agricultural or commercial branches of colonial industry, than the merchants of the mother country can possibly do. The delay in the returns, then, which arises from the understocking of the colonies, is not a loss to the whole empire, composed of European and American territories. The capital, so retained, affords, in the end, greater profit to the mother country ; and, in the mean time, it is putting in motion a greater portion of industry, and accumulating a greater stock, which is either directly transferred to the metropolis, or centres in it by the circulation of inhabitants, or aggrandizes a remote and growing branch of the imperial dominions. Every such aggrandizement enlarges the demand for the produce of the mother country's labour ; and if the returns have, for a while, been withheld, it is only that the market may be immediately increased, and the returns of the next year be both greater and quicker.

Long credit, and, in consequence, slow returns, are the effects of a large capital. The metropolis is always a creditor to the country ; and a rich to a poor trading nation, in the same manner as the mother country is to the colonies. It is the practice of the merchants

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in Russia, to insist upon receiving at least half the price paid down in ready money, for goods which they have bought up by contract; and to demand a year's credit (or longer) for all the goods which they purchase from abroad.* The merchant of the richer country, in this manner, supplies the Russian market upon credit, and pays ready money for a great part of what he buys from it: yet England finds the trade so useful to her, that she takes off nearly five times as much of the great staples, as all the other nations in Europe put together. † In fact, another trade might give quicker returns, and put in motion a greater quantity of British labour: but by giving up the Baltic commerce, it does not follow, that England would find another source, from whence the same commodities might be obtained, or another market to take off her surplus produce. The countries producing those commodities, are not infinite in variety; nor are the nations infinite in number, who furnish the demand for hardware and woollens. The amputation of a small limb from the body, does not much injure the general œconomy: its functions may be performed

* Tooke's View of the Russian Empire, vol. i. p. 339. La Richesse de la Hollande, tom. ii. p. 59.

† Tooke's View.—Hunter's Observations on the Armed Neutrality.

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formed by an increase in the strength of the rest. An abrasion of a muscle, or a slight evacuation of blood, may be replaced by the healing power of nature, without any injury to the general mass. But the place of one of the nobler parts cannot be supplied, nor its loss compensated. A great effusion of the vital fluid will induce irremediable debility: and the infant will in vain look for the reproduction of the part from which its nourishment flows, if the Amazonian mother has sacrificed it to her love of activity, and her impatience of a useful incumbrance.

Long credits, in fact, and slow returns, like small profits and slow accumulation of stock, are the necessary consequences of great national wealth. A colonial trade ought not surely to excite discontent on this account, any more than a great capital ought to be deemed a national misfortune. Though slow returns are, however, as we have seen, by no means peculiar to the colonial trade, the same circumstance is to be found in many of those very branches of commerce, for the sake of which we are advised to abandon the colony trade. If, then, such counsels should be followed, we should only exchange all the advantages of a home trade, for all the disadvantages of a foreign trade, without gaining any thing in quickness of return.

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The effects of their being understocked, would be precisely the same although the colonies were contiguous to the mother country. Whatever part of the slowness of returns can be ascribed to this cause, would equally attend the trade with those provinces, however near the capital, which are behind the rest in mercantile or agricultural improvement.

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The distance of the colonies from the great body of the empire, would render the returns of their trade slower, even if they were equally well stocked with the older countries. This difference has, however, been always considerably overrated. It only operates in the comparison with the trade of those markets which lie at considerably less than one half the distance of the colonies. The returns of the trade, for example, which Portugal carries on with the Brazils, are much quicker than those of the trade which she carries on with Russia, so far as the mere distance is concerned. Each American voyage, then, replaces a Portuguese capital in Europe, and one in the colony, in about the same time that a Baltic voyage replaces a Portuguese capital only. The British vessels take nearly as long to make a voyage to the Levant as to the West Indies: the latter replaces two; the former, only one British capital. But, if the voyage to St Petersburg,

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terburg, or Revel, is only half the length of a West Indian voyage in point of time, including the influence of the trade-winds outwards, and the gulph-stream homewards, and setting off the dangerous voyage of the Cattegat against the risk of tropical storms; then it is evident, that the former, replacing only one British capital, while the latter replaces two, is, in this point of view, equally profitable. Besides, we must take into account, the expence required, and the time consumed, by a double loading and discharging of the cargoes, and the additional profits of the longer voyage: so that the colonial voyage is as beneficial to the empire as any other to a foreign country which is not considerably less than half the distance.

Now, the long voyage has another, and a very material advantage. Whether the distant market be a home or a foreign one; and whether it be more or less remote than twice the distance of the other markets with the profits of which we may compare its returns, it encourages a breed of men essentially necessary to every member of the European commonwealth, which would engage in an extensive foreign traffic of any description whatever—I mean, the breed of seamen. The coasting trade is, indeed, an excellent nursery: but it is in no country sufficient

ficient to form a navy, not even in Great Britain, however extensive her sea-coast, and her internal commerce may be. The commerce of the nearer countries in Europe, however enlarged, although the whole capital employed in the colonial trade were turned into it, would still be inadequate; and that, for the five following reasons.

In the first place, a smaller number of sailors could man the vessels which would be necessary for the same bulk of traffic; consequently, a smaller number would be employed. The owners and master of a vessel, in calculating the crew which he may require, considers the length of time during which he is to remain at sea, removed from all human assistance, and necessarily dependent on his hands: he considers, that in a voyage of six or eight weeks, more accidents may happen, and more natural deaths take place among his men, than in a passage of eight or ten days: he remembers, too, that, in the one case, he cannot save himself, as in the other, by running into a neighbouring harbour, upon any emergency; and that the probability of his meeting with a friendly vessel in his distress, is so small, as not to enter into the calculation. While, therefore, he adapts the strength of his vessel, and the fullness of his stores, to the casualties of his long navigation;

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vigation; he proportions, in like manner, the numbers of his crew: and the extraordinary profits of the trade, admit of that increased equipment and complement. Although, then, the same number of weeks in a year were actually to be spent at sea, by the vessel engaged in the European, and the vessel engaged in the American trade, a greater proportion of men would be given, and could be afforded, to the tonnage required in the latter.

But it is by no means true, that the same time would be spent at sea in both cases: more time must always be passed in port, when the trips are more numerous. A West India-man, for example, will, in six months, take in her cargo, sail across the Atlantic, sell her goods, and take in a West India cargo, with which she will return, and, unloading, will be ready for a second voyage. During this time her crew will have been four months at sea, and two in port. In the same time, a Bourdeaux trader of the same bulk, may have made more than two voyages: but these only last, altogether, two months; and the remaining four months have been spent in port. The time required to load provisions for a long voyage, may, indeed, be somewhat greater; but it bears no proportion to the time required for loading the cargo: and the difference is much
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more than counterbalanced by a circumstance which I have not taken into account, the abundance of all colonial produce, the readiness with which a cargo may constantly be obtained, and the short time required for chusing an assortment, from the simple qualities of the goods, always of the same kind, and in the first stages of manufacture.

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If we compare the tonnage employed in the distant trade of any of the European nations, with the number of seamen allotted to the management of it, we shall be convinced that the proportion is much greater than in the trade of the neighbourhood. In forming this comparative estimate, however, we must attend to the proportion of tons in each vessel; for, by this, the proportion of the crew to the tonnage is almost entirely determined, in voyages of equal duration.

The average proportion of seamen in the West India trade of England during 1798, 1799, and 1800, was that of one man to fourteen tons; but the vessels measured, at an average, two hundred and ninety-two tons each. The vessels trading to France, at an average of 1791 and 1792, were of eighty-one tons only, and the proportion of seamen was only that of one to a little more than thirteen tons. As about three and a half times

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the number of the West India captains, must be reckoned in this difference, and they do not increase the number of seamen for the exigencies of the state; it will be found, that the West India trade yields, in proportion to its tonnage, somewhat more seamen than the trade with France, although the vessels are between three and four times as large. The vessels in the Flanders trade have a higher average of tonnage, and a lower proportion of seamen. The proportion of their bulk to that of the West India vessels, is still very small; yet they do not furnish, by any means, so many seamen.

But if we take our instance from a traffic in which the bulk of the vessels approaches nearer to that of the West Indiamen, we shall be able, more exactly, to appreciate the effects of the long voyage. The average tonnage of German traders for 1798, 1799, and 1800, was one hundred and sixty-five tons; the men, only one to nineteen tons. The average tonnage of Dutch traders in 1791 and 1792, was one hundred and thirty-two tons to a vessel; the men, one to nineteen tons nearly. The Prussian tonnage, for the same years, was two hundred and five to a vessel; the men, one to twenty tons two-thirds: the Prussian tonnage two hundred and fifty; the men, only one to twenty-one tons five-sevenths. Thus, the Baltic trade furnishes less than two thirds

thirds of the seamen supplied by the West Indian trade, in proportion to the tonnage.

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But the West Indian trade is by no means the most distant in which vessels engage. The East Indiamen, although their tonnage is above three times greater than that of the Baltic ships, employ, in proportion to their tonnage, between two and three times as many seamen. The whale fishery, which requires vessels of nearly the bulk of West Indiamen, furnishes between four and five times as many seamen as the Baltic trade, in proportion to the bulk of the vessels.

The foreign vessels are manned in the same manner. Those from the West Indies to Britain, in 1800, measured, at an average, one hundred and fifty-eight tons, and allotted sixteen tons eight-ninths to a man, after having made their long voyage. We may reckon the proportion, that of fifteen tons one half, before their numbers were diminished by sea risk, climate, &c. The foreigners from the Baltic, though of two hundred and forty-five tons, had, at an average, only one man to twenty-one tons. The Danes calculate the complement according to a certain ratio with the tonnage, diminishing as the tonnage increases. They add one fourth to the crew of the vessels engaged in the near trade, in order to fit them for the long voyages. *

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* Ricard, tom. iii. p. 4. 4to edit.

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The larger size of the vessels employed in the distant trade, is also an advantage to the navy of the state, although it prevents the disproportion of the crews from being so great, in the comparison with the small vessels employed in a nearer traffic. The transport and victualling service derives from those kinds of commerce easy and important advantages. Besides, the large merchantmen are always ready for being armed in war: some of them may be equipped as frigates, and a few of them even taken into the line. We may therefore rest assured, that the commerce with distant countries employs more seamen and vessels fit for the service of the state, in proportion to the tonnage, than the trade with countries less remote.

In the second place, the proportion of the seamen to the value of the capital which employs them, depends upon the nature of the commodities in which the trade is carried on. Those goods which are most bulky in proportion to their value, will, of course, require the largest tonnage, and the greatest number of men to transport them, the distance being equal.

In order to lessen the expence of the freight for such commodities, larger vessels will be employed, as these require somewhat fewer men in proportion to their tonnage. This will, in

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one respect, diminish the proportion of seamen, although not so much as may at first sight appear, since the diminished number of captains required for the same tonnage distributed in bulky vessels, is no real diminution of the number of sailors who may be useful to the public service. At any rate, the small value of the cargo, in proportion to its bulk, must increase that part of the price which goes to pay the freight, and augment the fund for the support of seamen.

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All new colonies, from the fertility of their soil, and their extent of unoccupied territory, raise a great quantity of raw produce; but, from the want of hands, they seldom work it up into any form beyond the first stages of manufacture. They export the surplus in this rude state, and receive from older countries, supplies of the finer manufactures. The vessels, then, in which the mother country transports her own produce to the colony, carry a greater value, in proportion to their tonnage, than those in which she imports the colonial produce; and, in general, the bulk of the colonial imports, in proportion to their value, is greater than that of the imports from most of the European and Asiatic nations.

Thus, the goods exported from Britain to the British colonies in North America during the year 1800, were worth, at an average, 32l. 15s.

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Sterling *per* ton, while the goods imported from thence were valued at only 16l. Sterling *per* ton. The goods imported from the United States during the same year, were worth 16l. 14s. Sterling *per* ton; those exported thither, were worth 54l. 4s. *per* ton. The imports from Spain, during that year, exceeded the exports, and were valued at nearly 19l. *per* ton.

The West Indian exported commodities having a longer voyage to make, are rather dearer than those of North America, but far cheaper than the finer manufactures, in the circulation of which the European trade consists. The imports from the British West Indies, during the year 1800, were worth a little more than 31l. Sterling *per* ton; and, during 1791, the average was about 26l. 15s. Sterling. In the former year, the exports from Britain to the Straits were worth 43l. Sterling *per* ton; to Turkey 35l. *per* ton; to France and Germany 76l.; to Holland 178l.; and to Flanders 180l. *per* ton. In years of peace, the finer manufactures are not exported in the same proportion; and the countries round the Baltic, exporting at all times chiefly unmanufactured produce, of small value in proportion to its bulk, the Baltic trade employs a greater tonnage, in proportion to the capital engaged in it, than any other. But it must be remembered, that the vessels engaged

in the importation of colonial produce, are almost altogether the property either of the colonies or the mother country, and that, of course, the seamen are always ready to enter the service of the Empire. Thus, the British imports from the North American colonies, in the year 1800, amounted to 558,037l. Sterling. The tonnage employed in this importation measured 35,072 tons, of which only 219 were foreign property. During the same year, the same value of exports from Britain to Germany, employed only 7,474 tons, of which not more than 3,986 were British property. Although, then, the difference between the bulk of the commodities, in proportion to their value, had been much less considerable; nay, though a greater difference had lain on the opposite side; the North American trade would still have given far more employment to British shipping, and, of course, employed a greater number of seamen than the German.

Although the very long voyages employ a great number of men in proportion to their tonnage; for this reason, among others, they are only adapted to the more costly sorts of merchandize, and employ fewer men in proportion to the capital that carries on the traffic. The exports to the East Indies, during the year 1800, were worth about 55l. 16s. *per ton*; the imports worth 98l. *per ton*. The articles brought

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home from Asia by this conveyance, are chiefly the finer manufactures of the East, with some of the rude produce, as, gums and spiceries. Some sugar and saltpetre is also imported; but never, I believe, unless for ballast.

The whale fisheries, as they employ more seamen in proportion to the tonnage of the vessels than any other trade, so it happens that they require more tons, and, consequently, more seamen in proportion to the capital embarked in them. The ships employed in the Greenland and Davis's Straits fisheries, in the year 1800, returned with cargoes, of which the value was only 6l. 17s. Sterling *per* ton; and the importation from the southern fisheries was only 12l. 12s. Sterling *per* ton. Of this tonnage, the whole was British property.

In estimating the proportion of the bulk to the value of commodities imported by any country, we cannot, in all cases, depend upon the customhouse accounts and other public returns, chiefly for the four following reasons.—

(1.) The frauds that traders and shipmasters are constantly endeavouring to commit upon the revenue, are much more easily concealed, and more strongly recommended, in the more costly articles. The tonnage, for instance, of a West Indian, or North American vessel, and of a Flanders smack, will be always taken with
equal

equal accuracy by the public officers. But it is much more easy, as well as more profitable, to secrete a quantity of lace or trinkets, than a hoghead of fugar or a log of timber. Hence, the customhouse returns will always make the proportion of the tonnage to the value of the cargo, that is, of the bulk to the value of the articles, greater than the truth in the trade of the nearer European markets, and nearer the truth in the accounts of the American trade.

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(2.) It is well known, that, with respect to Great Britain at least, the customhouse rates, by which the value of commodities is calculated for all public returns, are of a very old date; that many of the articles, particularly almost all European commodities, are estimated one third below their present prices, and that many of the West Indian articles are valued at their full prices. The error arising from this source, operates exactly in the same direction with that last mentioned. *

(3.) We can only compare the bulk with the value of cargoes, by comparing the tonnage entry with the official value of imports, and the tonnage clearing out with the official value of exports. But it may, and indeed often does happen, that a part only of the tonnage entering or clearing out, is employed in the actual

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actual import or export of the value returned : the rest may have been occupied only with ballast. Almost all the British ships, for instance, which clear outwards for the Baltic, sail in ballast : many of those which carry cargoes to Flanders, dispose of them for money or bills, and return in ballast : and many of those which take in another cargo, sail with it to some foreign port, from whence they return to Britain in ballast. It is evident, that the returns can only inform us of the number and value of the tons actually arriving at, or departing from the island. This, like the former source of mistake, will chiefly affect the short voyages. Vessels from the distant ports of America and the West Indies, must always make the most of their voyages : they never can afford to return without a cargo : and the monopoly prevents the greater part of them from sailing to any foreign port, without first landing in the United kingdom.

(4.) A very large part of the bulky articles, exported from the different nations possessed of colonies, consists of colonial produce, re-exported to such nations as have not those foreign settlements. The colony trade thus increases indirectly the tonnage for the foreign trade, and occasions a greater proportion of seamen to be employed in it, than would otherwise be necessary. Thus, the effects of the

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the colony trade, in employing seamen, are much underrated, if they are merely estimated by the returns of the customhouse: and yet we have seen, that, even by those returns, the difference in the powers of a given capital to raise seamen, when employed in the colony trade, and of the same capital vested in the greater part of the foreign commerce of a country, is sufficiently remarkable.

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But, in the third place, besides increasing the number of the seamen more than any other equally extensive traffic, the colony trade raises a breed of a better quality, than the trade which consists of short voyages. The coasting trade is certainly a nursery of excellent sailors. In no other, is the risk so constant, and the skill acquired, in the steady management of rigging and anchors so extensive. But, in general, it is carried on in small vessels: so that the crews are neither accustomed to the discipline of a numerous body of men, nor sufficiently practised in the management of large ships, so different, in many respects, from the manœuvring of small craft, and so essentially necessary to the public service.

The short voyages to the nearer foreign countries, have, in a great measure, the same disadvantages of small vessels, and want the peculiar circumstances of incessant risk which attend

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attend the coasting trade. But neither the one nor the other is calculated to secure several very important advantages, which the education of seamen derives from long voyages. The proportion of time spent in port, is always greater in repeated voyages, during the same number of months, than in one or two voyages exhausting the whole of the period. The longer that sailors are together, and the more they are kept separate from all other orders of men, the better will those peculiar habits be formed which are essentially necessary to that singular and amphibious profession. Long voyages have various dangers and hardships peculiar to themselves, while they participate, though in a smaller share, of the same risk and difficulty which attend the coasting voyages. The greater the numbers of sailors, too, that compose the crews of the vessels, the more will they be accustomed to act together in a body, to divide among them the different occupations of navigation, and to preserve the subordination required in naval service, but almost unknown in the smaller vessels, where the skipper and two or three men form the whole complement.

The East India service enjoys some of those advantages in a much higher degree than any other; but the service is so regular, and so
little

little attended with risk and hard labour, that
 seamen bred in it would be unaccustomed
 to active exertion, and far inferior, upon the
 whole, to those obtained, either from the fish-
 eries, or American trade. Hence, in fact, sea-
 men are not bred in the East India service, but
 are draughted into it from the other maritime
 nurseries.

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In the fourth place, the colony trade has
 this very great advantage, in common with the
 coasting trade, that the sailors which it employs
 are seldom or never in a foreign port. They
 are, of consequence, much less exposed to the
 danger of deserting into foreign service; va-
 cancies in their number are more easily, and
 better filled up, not by foreigners, but by other
 inhabitants of the same country; and they are
 always in some part of the empire, where their
 services may be needed for the military opera-
 tions of the state. The seamen required for
 the navy, upon any emergency, cannot be pro-
 cured from the vessels engaged in a trade that
 requires them to remain in a foreign country—
 in the Gulph of Finland, for example, or the
 Levant. In this case, government must wait for
 their return. But those employed in the colo-
 ny trade are either in some port of the mother
 country, or of the colonies; on both of which
 stations their services may be required for the
 ships of war.

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In the last place, long voyages, by requiring larger vessels, and more numerous crews, can admit of draughts being made from them upon any emergency. A ship which is commonly navigated by three or four hands, can neither spare one of them, nor supply the blank by a landsman. A ship which is commonly navigated by eighteen or twenty men, can easily sacrifice two or three, and sail with the remainder: she can even sacrifice two or three more, and supply their places with raw hands. The East India service, instead of breeding seamen, requires ready bred sailors from the other trades. The fisheries, the American trade, and the Baltic trade, furnish the great supplies to the British navy; chiefly the American trade, which is the most numerous of the three, and which does not, like fisheries, require the seamen to remain for a length of time out of the country.

It is, in some, or in all of these five ways, that the colony trade becomes the best nursery for seamen, and chiefly from that very circumstance of distance which has been reckoned its great drawback.

A navy is necessary, either for the defence of a maritime country, and the military operations which it may carry on against other states; or for the protection of its commerce. Without the possession of an extensive foreign commerce,

merce, indeed, no nation can support a powerful navy, unless it remains in a state of perpetual war, or submits to an expence which none but a commercial nation can sustain. But, like most other political reagents, the services rendered by the trade and the navy are reciprocal, and the effects of their progressive improvement are mutual.

To undervalue a particular branch of commerce, which is calculated to increase the maritime power of the state more directly than the other branches, and thus tends to favour the progress of those branches, is surely to take a short-sighted view of the importance of this species of force, both to the defence and wealth of the nation. Yet many politicians have denied the importance of those very pursuits which tend to promote naval power; because, according to them, naval power must always be the consequence, and not the cause, of commercial prosperity. They seem to forget, that commercial prosperity must operate in a particular way, in order to produce this effect; and that, if its agency is obstructed in that particular direction, the trade and wealth of the nation may flourish, and no navy ever arise from it; any more than the richness of the soil will raise plentiful crops, if the genial warmth and moisture of the season be withheld, or the natural effects of fertility obstructed

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obstructed by the pressure of an incumbent mass.

When the capital of a country is accumulating, and its commercial relations are extending, some part of the stock and industry of its inhabitants will be directed to the cultivation of the soil; another part to the internal circulation of its produce; and another part to the exchange of its surplus for the surplus of foreign states. This last part must operate by the support of a species of labour and skill, which tends directly to augment the military power of the nation; to increase its influence in negotiation with neighbouring states; and to secure, immediately, that branch of wealth out of which it arose. That part of the stock which is employed in the more distant and extensive traffic, has this tendency more than any other: and it is by giving birth to this traffic, by enabling the nation to acquire this branch of industry, that the accumulation of riches, and the improvement of internal resources, infuses the possession of maritime power.

The establishment of a naval force, then, is the consequence, no doubt, of commercial improvement. A government would, indeed, be justly blameable which should anticipate this progress, and attempt to lay the foundations of naval power, by ordering a certain number of vessels to be constructed, and draining the coasting trade of hands, in order to man them.

But

But a government would be as blameable if it should discourage that sort of industry, the direct tendency of which is to accelerate the progress of naval power, and should neglect those advantages, which the possession of distant and fertile territories presents for the accomplishment of this object.

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We have endeavoured to shew in what manner the colonial trade is peculiarly adapted to favour these views, and to furnish this species of force, without any injury to the state in its other relations, either of policy or commerce.

7. We have now considered the consequences of the colony trade to the wealth of the mother country, in so far as its returns are supposed to be slower than those of the commerce with neighbouring, but foreign states; and we have seen how far its peculiar tendency to furnish a useful species of national force counterbalances any loss which may arise from the slowness of the returns. It must however be remarked, that a particular part only of the stock of any country can ever be drawn into this distant traffic.

Men possessing small capitals, and living upon the profits of them, with little or slow accumulation of wealth, must engage in such adventures as expose their all to few risks, and re-

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turn, in a short time, those profits, upon which the owner's subsistence, and that of his family, depends. These men either engage in the retail trade, or, if their stock be somewhat larger, they employ it in the home traffic; or, if they have acquired a still greater capital, they adventure it in the nearer foreign trade of consumption. Quick returns are to them of more importance than great profits. They must live upon their returns from day to day. The small profits of a confined capital, after paying their necessary expences, leave them at the end of the year no surplus upon which they may subsist during the next year, while their capital is seeking new employment. If they can do more than make the two ends meet, they immediately invest their little accumulation in the line of business in which it was gathered; a business always more easy to them than any other, and always offering a greater opening than they can fill up. All men, indeed, but especially those of small capitals, naturally prefer enlarging their former trade, if they acquire the means of doing so, rather than engaging in new adventures of a different kind. Even with rich traders, what is called speculation, more frequently consists in suddenly increasing the degree, than in varying the nature of their labour and risk.

Men of small capitals have a greater degree
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of timidity in their proceedings, and less enlargement in their views: they have little to lose; but that little is their all; and they do not like to let it remain long out of their sight. A great capitalist may collect from the ruins of an expensive scheme sufficient funds to carry on some of the more limited branches of trade. The ruin of a small capitalist reduces him to beggary, or to the state of a labourer, scarcely less humiliating to a trader. A man of large capital alone can afford to engage in the traffics of slow return. Although he endeavours to keep as little of his stock as possible unemployed, yet he has always a sufficient surplus of one year to support him during the next, because his expences bear a small proportion to his whole gains. He has credit with his neighbours and dependents; while the poor man must, in general, pay ready money for what he consumes. The views of the former are more extensive, his attention to small savings less rigid, his boldness in speculating greater, and his fear of losing sight of his stock less hampering. In fact, he never loses sight of it all, at any one time; which a man of small property must frequently do. Nor does he, like him, risk his whole stock in one adventure. He may lose by this speculation; and more than compensate his loss, by extraordinary gain in that. The

poor man either loses all, or gains all. The trade of a great capitalist, too, is not confined to his actual property. He may often go beyond it, and speculate upon credit. All traffic, or adventure of this kind, is out of the question with the proprietor of a small stock.

Thus, the sort of capitals which are naturally drawn to the colony trade, and the more distant foreign trades of consumption, are not those which naturally prefer the home trade, and the traffic with the near neighbourhood: and a distinction between the tendency of the great and the small capitals, is clearly marked in the habits and circumstances of their possessors.

But the nature of the more remote trade itself, independently of other considerations, provides a limitation, of exactly the same kind, to the capitals which it employs. The profits are great, but they must be gained by a great expence; and the expence does not rise in the same proportion with the capital engaged. We have already seen the manner in which the expence of seamen, that is, the chief part of the freight, is not proportioned to the bulk of the cargo; and how it bears a greater proportion to the value of a small, than to the value of a great cargo. The prime cost of the ship, and the tear and wear and charges of refitting, are exactly in the same

same predicament: and the same number of clerks and servants may assist the merchant importer to land and dispose of a large cargo, that are required for the care and management of a small one.

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Thus, the expence of employing a capital in those kinds of trade, bears not an exact proportion to the extent of the capital, while the gross profits bear an exact proportion to its extent: consequently, the neat profits are not proportioned to its extent; and a small stock employed in it would be replaced with an inadequate profit, while a large one would be returned with a handsome gain. Hence, even if proprietors of small stocks could afford to lye long out of their money, or chose to venture it in distant speculations, it would not repay them for their pains and risk. Besides, the merchant engaged in colonial trade, must not only give long credit; he must often depend upon getting long credit himself: a facility only in the power of great capitalists. It is the tendency of great capitals, to drive out of the trade which is favourable to them all the small capitals that may happen to be adventured in it. The proprietors of such stocks are generally actuated by the spirit of monopolists; and as they can afford to trade on much smaller profits, they undersell and get rid of

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their more humble competitors, who must have a greater profit, as their stock is less. In the near markets, small capitalists have many advantages. They are constantly attending to every part of their business: their whole stock is always in view. They do every thing at the least expence, are attentive to the most trifling savings, and avail themselves of the most inconsiderable gains. The subdivision of capitals, produces many of the good effects which attend the division of labour; and the small capitalists enjoy many of the advantages over their richer neighbours, which a private trader of any kind enjoys over a public body engaged in trade, and which even a public body enjoys over the prince, or the government of the State, when those great and unwieldy corporations are so blind to their own interests as to become manufacturers or merchants. It is by advantages of this kind, that the nearer markets are kept open to small capitals, although larger ones may be employed there at the same time; and the advantages of distant markets, being more suited to the latter, without danger of competition from the former, the richer stockholders naturally resort to the colony trade, of which they possess a kind of monopoly.

Of this power which large capitals possess of engrossing a trade, it is almost superfluous to
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give instances. The history of most mercantile companies abound in such examples. In general, they have managed their affairs so badly, that private capitals have overcome them; but, in those instances in which a contrary system was pursued, the private traders have yielded. Thus, the Hudson's Bay Company, without any monopoly, has prevented any private merchants from interfering. And while the South Sea Company (the greatest in extent of capital that ever was formed in any country)* pursued the whale fishery, although it was a losing concern, after all, in consequence of extreme bad management, yet, in the mean time, they prevented any share of the fishery from falling to other adventurers. In the nearer markets, no such monopoly could ever have subsisted for any length of time: the Company would have been forced from them, by the better management of private traders, in as many days, as they retained their monopoly for years in America.

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There appear to be only two ways in which the colony trade can be opened to small capitals, in those few cases in which the circumstances of their possessors, present no obstacle to such an employment of stock.

(1.) They may be given to some large trader, in loan, at the market rate of interest; and employed

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* Its capital amounted to above thirty-three millions Sterling,

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ployed by him, in colonial speculations, at his own risk. When such speculations hold out strong temptations to merchants, it is probable that they will always endeavour, in this manner, to trade beyond their capital; and, to a certain extent, they will no doubt succeed. But the class of people from whom they obtain loans, are not of a mercantile description; otherwise, they would never trade by deputy, and lose money. They are chiefly persons who possess a little stock for which they have no immediate use, and who prefer the greater interest given by traders, to the better security afforded by the government, or by landholders. That part of the national capital, which is thus drawn to colonial speculations, can never bear any considerable proportion to the whole, and would never be vested directly in any other trade by its proprietors. The nature of such proprietors is not speculative and venturesome: they risk more by giving to the trader, than by lending to the government or landholder, although, perhaps, not so much as by directly engaging in trade. Only a few of them, then, will give their money to the merchant; and those few will have little to lend: because, persons possessed of considerable capitals, naturally invest them in land, or engage in trade themselves.

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The little, however, it may be said, which is thus drawn into the colony trade, is taken from a stock which would either go to cultivate the land, or to raise the rents and price of land. But the same objection may be urged against all foreign trade. Men are tempted, by higher profits, to prefer the risks of commercial to the certainty of agricultural pursuits; and every new market that is opened, however near, would have precisely the same effect of raising the price paid by the landholder for money, and keeping down the rent and the cultivation of the land. The distance of the colonies, indeed, has the effect only of carrying away the largest of the capitals, which would otherwise be employed directly in trade. The opening of a nearer commerce, would draw thither many of the smaller capitals, at present employed in cultivation. Upon the whole, then, the distance of the colonial market more than compensates the loss of that small quantity of the national stock, which its high profits carry off from the cultivation of land; in as much as other capitals are thereby prevented from being vested in the trade, by that more numerous body of small proprietors, who cannot afford to live upon the common interest of their stock, and to allow others to gain by its profitable employment.

If, indeed, the colonial trade were suddenly annihilated, and no other channel opened for
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the national stock, the rate of profits and interest would, no doubt, fall. All those small capitals employed in the trade by loan to the merchants, would seek a new channel; and a great part of it would probably go to the cultivation of the land. But a far more serious evil would, at the same time, counterbalance this advantage: the market for the produce of land would be contracted, and those equivalents destroyed, which had formerly excited agricultural, as well as commercial and manufacturing labour.

It is, indeed, idle to propose any such sacrifice of the colonial trade, for the purpose of turning to the improvement of land the very small part of the national stock which is drawn from the service of the landholder, to that of the merchant, in the form of loans; whilst, in every country of Europe, various pernicious institutions are suffered to exist, which have the most direct tendency to check agricultural improvement, by imposing restrictions upon the commerce of land. When the abolition of entails, and the modification of the law of primogeniture, shall have reduced the exorbitant price of land, and raised the profits of stock employed in its purchase to a level with the profits of manufacturing capital, much less of the capital, now employed in trade, will be driven or drawn from the purposes

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poses of cultivation. The landlord will be able to pay a higher premium for money; and a number even of those smaller capitals, which, in the present state of things, are indirectly attracted to the colony trade, and other branches of the more distant foreign commerce, in the form of loans, will, from the circumstances and habits of their proprietors, be allured to the service of the cultivator, by the greater punctuality of his payments, and the higher security which he can afford for the principal. While the manners, the constitutions, and the laws of states, obstruct, in so many ways, the employment of the great, as well as of the small capitals, in agriculture, it is surely absurd to go further in search of the causes of its neglect or slow progress. And to begin by condemning those branches of commerce which draw a most trifling part of the stock from the improvement of land, while the great and radical obstacles to its commerce and subdivision remain, would be as preposterous, as if a surgeon were to exhaust his skill, and waste his time, upon a blotch in the finger of his patient, while a stoppage in the heart or the brain was deranging the whole œconomy of the system.

(2.) The only other way in which small capitals can be drawn into the colonial trade, is, by the formation

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formation of joint-stock companies. Where these associations have been endowed with exclusive privileges, they have rather injured the colony, than the mother country; and where they are left open, their tendency is only to draw into the distant trade the small capitals of those who would not otherwise trade themselves. In this respect, they have nearly the same effect with the demands of speculative merchants. For although the holder of shares in the company's stock receives a dividend proportioned to the profits of the trade, and runs the risk in his own person; yet the labour of employing his capital and drawing his gains, being delegated, he sacrifices, for his ease, his proportion of the salaries paid to the company's active servants. He, in fact, then, does not directly engage in trade; and seldom can receive more profit, than if he lent his money to a merchant. He must, therefore, be a person not inclined to trouble himself with turning his capital to the greatest advantage, and one who can afford to pay for an easy annuity.

Joint-stock companies are, of all trading schemes, the most unprofitable; they are quite unfit for the management of any commerce that requires active exertion, minute attention to trifling savings and small profits, and full knowledge of a complicated detail.

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Accordingly, in all speculations of distant commerce, they have uniformly failed, unless when confined to small numbers, and a narrow capital. The shares of their stock generally fell below par, unless when some other purpose than profit is the object of the purchaser. With all the advantages of vast capital, they are almost always sooner or later defeated, or driven from the market, by the ingenuity, industry, superior knowledge, and more rigid œconomy of private traders. A monopoly alone can save them from ruin; and the necessities of modern governments, or their connexion with the proprietors, or their false views of the simplest subject in commercial philosophy, have generally seconded those selfish and hurtful designs. Where no such exclusive privileges have been constituted in their favour, they have held out no temptations to capitalists, after a very short trial of their mercantile powers. The depreciation of their stock, and, in some cases, their total ruin, has prevented many of that narrow class of men from being tempted by their offers, who possess small capitals, and are not under the necessity of employing them in the most profitable way. Besides, in all countries where such companies have ever existed, the debts of the State have presented a more agreeable and secure mode of invest-

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ment to this description of stock: a mode, by which the annuity may be drawn with safety and ease, and the chance of extraordinary profit, by fluctuations, may be obtained. *

Upon the whole, we may conclude, that this part of the national stock, at all events very confined, is not likely to be drawn, in any great degree, into the colonial trade, either by the demands of mercantile adventurers, or the temptations of free trading companies. The trifling effects of the former are most likely to take place, when the colonial system has attained a high degree of prosperity: those of the latter, still less important, have most commonly been produced during the first stages of colonial policy, and have been uniformly increased by the mercantile views of the European powers in their domestic government.

The circumstances in the more distant branches of trade, which render a large capital necessary for carrying them on with the ordinary profits, might admit of adventures, by limited and private societies of partners, each possessing a small stock, and depending for subsistence on his attentive and industrious employment of it. Copartneries of this kind might, indeed, carry on the colonial, and other distant trades, with almost every advantage which common

* Note M.

mon mercantile companies possess. But the circumstances of their own situation prevents such capitalists from entering at all into a trade of slow returns, as we have formerly explained. Those circumstances effectually confine them to the other branches of commerce, although an association might enable them to overcome the obstacles presented by the circumstances of the distant trade itself. Were their capitals somewhat larger, though insufficient to allow of separate adventures, the union of stocks, in spite of certain serious disadvantages that attend it, might enable them to share the large profits of a slowly returning capital. It is this which, in fact, unites so many merchants in all the branches of trade, and most in those which require the greatest stocks; never in agriculture; seldom in the retail trade, where the wages of the labour bear so great a proportion to the profits of the stock in every return of capital; much more frequently in manufactures, and in wholesale trade. But it does not appear that the proportion is accurately carried on. The union of stocks seems to be always as frequent, in those branches of foreign trade where small capitals are sufficient, as in those which are within the reach of great capitals alone; with this difference, that, in the former case, the smaller stocks are united to form a moderately

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derately large capital ; while, in the latter, the large stocks are combined in order to form an extensive one. The union of the smaller stocks seems rather intended to oppose those large stocks which are embarked in the same line, than to force admission into the channels more peculiarly appropriated by the larger capitals. The consequence is, that we find no proportion between the average extent of the capitals employed in the smaller branches of the retail trade, where copartneries are seldom found ; and the average extent of capital in the wholesale trade, the more important branches of the retail trade, and the different foreign trades. The capitals in all these, though extremely various, are much more nearly upon a level than those in any one of them when compared with the stocks usually employed in the smaller retail trade. Copartneries are found in every branch of the one class ; seldom or never in any part of the other. The association of partners, and union of stocks, is seldom employed to remove the obstacles in the way of the colony trade, which are presented by the circumstances of the trade itself, and by the circumstances in the situation of the small capitalists themselves.

There appears, then, to be a division of capital, founded in the nature of things, which, partly

ly from the circumstances of the stockholders, partly from the nature of the colonial traffic, marks out one class of capitals as adapted to this employment, and prevents the other class from entering into it.

When the stock of a nation is distributed in an unequal manner, as that of every wealthy community must be, this difference of employment must always take place. The loss of colonies to a state in those circumstances, would only turn into a distant foreign trade that class of capitals which naturally seeks great profits, but slow returns; and the acquisition of colonies would only draw the same set of capitals from those distant foreign trades.

We see, then, that this natural tendency of great capitals towards those quarters whence great profits may be expected, and of small capitals towards those parts where quick returns are to be obtained, distributes the stock of the nation in a certain way, independent of colonial possessions; and, unless cramped by the restrictive interference of governments, it must continue to do so, as long as all the earth is not equally fertile, peopled, and cultivated, and all the inhabitants equally rich and industrious: nay, the same distribution must take place, so long as all soils do not yield the same plants, all rivers and seas the same fishes, and all mines the same metals—so long

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as men are endued with different tastes, and live under different climates. What may happen in a state of universal assimilation, I do not now stop to inquire. It may be presumed, that when a change of this sort shall take place, the millennium cannot be far distant. And I take the liberty of leaving the further prosecution of this inquiry to those ingenious, but speculative men, who have amused themselves with investigating that sublime subject.

8. It is not the commerce only of the colonies, but their agriculture also, that attracts the capital of the mother country, and diverts part of the national stock from the improvement and cultivation of the soil in the contiguous provinces, and from the trade of the home market, and of the nearer foreign markets, to the cultivation and improvement of the land in the distant settlements. Many of the remarks which we have made upon the effects produced by capital distributed in the colony trade, apply also to the consequences resulting from this similar employment of capital, in the agriculture of the colonies. Admitting that the staple so distributed is directly withdrawn from the agriculture of the mother country, it is not withdrawn from the empire: it continues to support the productive part of the community; and, besides improving an integral though remote part of the state, it directly employs and maintains

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maintains part of the home population transplanted thither: it enriches the non-resident members of the colonies: it circulates its gains with those who return to the mother country. The produce, too, which arises from this employment of capital, gives direct employment to the farmers and peasantry of the mother country: they must labour to support the sailors who circulate it; the merchants who deal in it; the manufacturers who work it up, and who create equivalents wherewith to purchase it; and, in some cases, too, the colonial labourers who are employed in raising it. The capital vested in the colonial agriculture, encourages the agriculture of the mother country, as much as the capital employed in domestic manufactures and trade does; as much as the capitals employed in different branches of domestic agriculture (stock-farming, and corn-farming, for example) encourage the operations of each other.

It is not, however, from the agriculture, so much as from the manufactures and commerce of a country, that colonial speculations withdraw part of the national stock. As the agriculture of the colonies, in general, resembles the mercantile and speculative occupations of industry and capital; and as the extent of capital required for such concerns, renders them inaccessible to small stocks; we may be assured, that the men who engage in them are those

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who would otherwise have been merchants and great manufacturers; and that the capitals which they employ in the planting trade, are those which would naturally have sought the greater branches of foreign commerce, the more distant operations of traffic, the trades of great profits and slow returns.

The agricultural colonies of the American continent, have never drawn to their cultivation any thing but part of the industry of the mother country. North American speculations are scarcely known among monied men. I believe, Sir William Pulteney is one of the very few Europeans who possess large tracts of American property; and large tracts alone can absorb much capital.* Those who settled in the continental parts, are men who had no capital, or a very small capital at home. They got good land for little or nothing; and turned it to account by their labour, and that of their families. Nor was the industry of the colonists withdrawn from a profitable employment in the mother

* See the very interesting account of this great concern, and of Captain William's management, in the Duke de Rochefoucault Liancourt's Travels in North America, vol. i. By referring to this work, my readers will perceive the difficulties attending such agricultural speculations. If such capitalists as Sir William Pulteney are seldom to be found, still more rarely do we meet with stewards like Captain Williamson.

mother country. The motives of emigration sufficiently evinced, that there was no want of population at home; since almost all those who were driven to seek a livelihood in the colonies, excepting the persons whom political or religious convulsions had forced thither, were men who could not gain their bread by labouring the land of their native country; or such as were obliged to quit it from desperate fortunes; and whose loss could not be reckoned a great calamity. If this overflowing, or rotten part of the state's population, had not found a vent in the distant parts of the empire, they would have emigrated to the colonies of some foreign state, or to the foreign country itself; and would thus have transferred to an enemy, or a rival, the benefits of their industry and force.

It is to the cultivation and improvement of the islands, and of those continental settlements which resemble the islands in their produce and the structure of their society, that the capital withdrawn from the manufactures and commerce of the mother country has been attracted; and chiefly from the more distant branches of commerce, the trade, for example, of the colonies themselves. This employment of stock, indeed, may properly be considered as a branch of the colony trade, to which it is subservient, and from which it derives its existence. The capital thus withdrawn, and invested in colonial speculation, is chiefly a

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part which cannot find profitable employment at home. When a nation has so greatly increased in wealth and industry, that its trading profits are extremely small, its capital will seek every sort of outlet, in order to pursue more profitable employments. It will first go to the foreign trades of slow returns; then to the loans required by the colonies; then to the immediate cultivation of the colonies, by the emigration of its proprietors: and, if the state possesses no such colonies, this capital will overflow into foreign colonies, by loan or emigration; into foreign countries, by emigration; into the service of foreign traders, by insurance or loan; and into that of foreign governments, by loan upon bond or pledge. A country in this situation can evidently receive no benefit from wanting colonial establishments; on the contrary, its stock will be transferred to enrich foreign nations: and, surely, the security of a capital employed in colonial speculation, is infinitely greater than that of a capital lent to the merchants or princes of foreign states. We shall afterwards have an opportunity of viewing the effects of an overflowing capital, when we come to consider the colonial policy of Holland, a country exactly in the situation which is most favourable to colonial speculations, or distant foreign commerce. If that country had, like Venice, possessed no colonies, its wealth would not have been confined

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to the home market, or agriculture of the state : it would have sought an issue, like the wealth of Venice, partly in foreign loans, and partly by carrying away its proprietors to foreign countries ; or rather we ought to say, that more of it would have gone in this way, than actually has : for, notwithstanding the extent of colonial adventures among the Dutch, no people in the world ever lent so much money to foreign colonies, foreign states, and foreign governments, as the Dutch ; or carried on so great a trade of foreign brokerage and insurance.

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The wealth of Great Britain appears, from several symptoms, to be arriving at the same state of overgrown magnificence ; and, of course, to require more and more the outlet of new colonies. Not to mention the great portion of capital which is daily poured into our own settlements, let us only recollect the eagerness of traders and capitalists, during the late war, to engage in speculations, of which the scene was laid in disputed ground, surrounded by rebels, or enemies, or both ; and held by the precarious tenure of the sword. The speculations carried on in St Domingo, during the most turbulent periods of negro warfare and French invasion, are of themselves a sufficient proof of this position. But the immense capital poured into the Dutch settlements, during the short period of the late war that they remained in our power, is still more strongly

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demonstrative of the same fact. The author of the ' Crisis ' estimates this at eighteen millions Sterling * ; and I have heard it rated almost as high by other persons of good information. Even if we should admit this account to be greatly exaggerated, it must have been an enormous sum indeed that could admit of such exaggerations from well informed people.

It appears, then, that the want of colonies would only turn the overflowing capitals, or the larger stocks of a nation, into a foreign commerce of a different kind ; into the more distant branches of foreign commerce ; into the service of foreign merchants, farmers, or princes ; or the direct cultivation of foreign states, or their colonies.

The colonial monopoly of modern times, may prevent this part of the national stock from finding employment in direct commerce with foreign colonies ; but no restrictions have ever yet been invented upon loans to foreign merchants or colonists. In almost all colonies, perfect liberty of residence and purchase is given to capitalists from every nation : and no nation but China prevents foreigners from residing, and farming, and trading, within the bounds of its contiguous provinces. Even if the policy of states possessing colonies were to prevent the direct transference of foreign capitals

* Crisis of the Sugar Colonies in 1802, Letter IV.

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pitals to the cultivation of those colonies, as they have been excluded from the colonial trade, it is impossible to suppose that any restraint would ever be imposed upon transference by way of loan. At any rate, the market of land, money, and trade, in the foreign mother countries, would be quite open to those wealthy capitalists, of whatever nation they might be; and the exigencies of the different governments would always furnish an opening of the same kind. The utmost, then, that the colonial monopoly could ever effect, would be, the confining the overflowing capital of the nations destitute of colonies, to the European market of land, money, and trade; and the want of colonies would then, instead of forcing a country to enrich and aggrandize the colonies of her neighbours, compel her to enrich and aggrandize, more directly, the contiguous provinces of the neighbouring states. The capital, therefore, which has been withdrawn from the mother country to the insular colonies of the different European states, like the industry which has been withdrawn to their continental colonies, was, in general, the superabundant part, destined by its nature for the operations of the distant commerce; and would have found an outlet, either in foreign countries, or their colonies, by loan or otherwise, if the states to which

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it naturally belonged had not possessed colonies of their own.

There is, indeed, a striking analogy between the emigration of men, and the transference or shifting of stock in modern states. As an increasing population is of the utmost advantage to every country, while the means of subsistence are always augmenting, and always keeping somewhat ahead of the increasing numbers of inhabitants; so, the increase of stock in a country is of the utmost importance, both as a symptom and cause of prosperity and power, particularly if the employments for this stock are likewise increasing, and a new opening is always to be found for the accumulated stock. When the population of a community has become very great in proportion to its means of subsistence, the price of labour is diminished, and a large accumulation of inhabitants is always to be found floating, as it were, in the country; ready to shift from one profession to another; often inclined, in their idleness and exigencies, to adopt vicious means of procuring relief; and always prepared to serve the state in the army or navy. In like manner, when the wealth of a country has greatly increased, and the lines of employment for stock are not multiplied at the same time; the profits are diminished, and a great part of the national capital

capital floats about, shifting from one occupation to another, in order to obtain higher profits. A sort of revulsion often takes place. Instead of each channel retaining a separate portion of capital constantly in it, all the channels overflow; and some capital comes from each, into a shifting mass ready for any speculation of trade or loans, or loans to the state.

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If the population is still farther increased, men find their comforts abridged, and the procuring of subsistence rendered more difficult. Discontent, love of change, high prices, low wages, induce them to emigrate, long before actual want has compelled them to abandon their home. So, when the national stock is farther augmented, traders find their profits more and more diminished, and the means of employing the stock to any advantage rendered daily more difficult. Long before they have ceased to make any profit, and begun to encroach on their capitals, they endeavour to continue or increase their former profits by foreign speculations.

As men are naturally averse to breaking off all connexion with the place of their birth, they first endeavour to engage in the foreign service of their own country, in war or trade. When this avenue, too, is blocked up, they prefer the colonies of their own nation. After those,
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the preference is usually given to foreign colonies, from their similarity to their own settlements, and their want of inhabitants. Last of all, they think of removing to the neighbouring foreign countries. Of all colonies, those are preferred which afford the chance of soon returning enriched. The idea of complete separation, by emigrating to the continental colonies of North America, is never admitted, unless when no cheap opening can be found in the islands: nor do men emigrate to foreign countries of Europe, without the idea of again settling at home. In this manner it is, that the emigration to the neighbouring states is extremely trifling, compared with the emigration to the colonies.

The distribution of an overflowing capital follows nearly the same rules. Men do not wish to have their stock long out of sight; and, if they possibly can obtain any employment which returns it to them now and then, they prefer this to one which never returns more than the profits or interest. Thus, they first endeavour to place their capitals in the most distant branches of foreign commerce. When these channels, too, are full, they adventure it in loans to the colonists of their own nation. Then they follow it, and become planters themselves. After that, the preference is given to the cultivators

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tivators of foreign colonies ; because, there, the profits are likely to be higher than in the nearer money market. Last of all, they turn it into loans to foreign merchants, governments, or farmers, in the near countries ; and sometimes follow it thither also, in order to farm, or manufacture, or trade, in countries less abounding in wealth than their own. The portion of capital poured into the foreign states of Europe is always very trifling, in comparison of that which the colonies receive. The colonies where the spirit of mercantile speculation prevails, are always preferred to those in which agriculture is the staple occupation. But much more of the population of Europe has been poured into the continental colonies, than of the national capital ; because the prevalence of negro slavery in the islands has proportioned the labouring population to the demand arising from the capital employed ; because the greater part of the work required is ill adapted to the constitution of men coming from a temperate climate ; because the demand is chiefly for stock in those colonies ; and because the continental colonies furnish a demand for labour adapted to all constitutions, and open a field for men who have no stock at all.

If, then, the colonies offer no outlet to the abundant population of a country, and to its
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overflowing stock, both the one and the other will naturally seek employment in foreign countries or foreign colonies which are understocked in hands and in capital. The surrender of colonial possessions, either to the colonists as an independent power, or to a foreign state in order to keep the people and capital at home, would be much more absurd than any restrictive laws that could be devised for the accomplishment of those purposes. Nay, were the colonies at once annihilated, an outlet would still be found, less advantageous to the emigrants or stockholders, and more dangerous to the state, in the territories of its hostile or rival neighbours.

The emigration of inhabitants, from the overflowing of their numbers, was the cause of many of the colonial schemes in ancient times. None of the ancient nations appear to have reached such a pitch of wealth, as to give rise to the emigration of an overflowing capital. Indeed, if we except Tyre and Carthage, none of them seem to have had sufficient stock to engage in the more distant trades. The political constitutions of the ancient republics certainly concurred with their want of commerce, to prevent the growth of those larger capitals which naturally seek for employment in the more distant branches of foreign commerce.

9. From the peculiar nature of almost all the colonial exported produce, the distance of those parts of the world, where almost all the European colonies are situated, is of much less disadvantage, even to the separate commercial interests of the mother country, than may at first sight appear. Those exports consist, chiefly, of the rude produce of annual crops, as grain, cotton, spices, coffee; or of articles in the very first stages of manufacture, as sugar, chocolate, and cochineal. The quantity of such articles, as indigo, rum, liqueurs, which require greater preparation, is very small, and forms a very inconsiderable proportion of the whole exports. In general, therefore, the West Indian commodities are the annual produce of the crops, either in the state in which they are gathered, or in a state of preparation analogous to the result of those operations which, in Europe, are performed by the farmer himself.

While the demand for this sort of produce continues to be great and increasing, no considerable stock of it is ever likely to be accumulated in the countries of its production. It is in the countries of its manufacture, and in those of its consumption, that a quantity is always to be found on hand, collected for the purpose of being wrought up and retailed. The trade of planting, too, in the American colonies,

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colonies, and the different occupations of agriculture, are so tempting to people of all ranks, that few men engage in the pursuits of commerce. The mercantile inhabitants of the towns, are merely the attornies, clerks, or agents of the inhabitants of the country; and do not, like the merchants in England, France, or Portugal, collect a stock of commodities for sale or exportation. Excepting in the Dutch and Danish islands, which, from their barrenness and free trade, have become a sort of entrepôt to the other colonies, the immediate order of men between the producer and consumer, the class of merchants exporters, is wanting. The articles must be purchased at first hand; and an accumulated stock is as little to be expected, as a stock of corn would be, in Europe, if no such thing as the corn trade had ever existed. This situation of things is not accidental, or peculiar to America: it is derived essentially from the circumstances of all newly established communities, understocked in hands, and abounding in fertile territory.

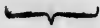
Now, if the distance of such settlements were no greater from their mother countries, or from their customers, than that of the different states of Europe from each other, the immense capital engaged in circulating their commodities could only find employment at one season

season of the year. If the West Indies, for example, were no farther from the west of Europe, than England or France are from the countries round the Baltic and Mediterranean seas, the English and French traders could only obtain cargoes at one season—namely, after crop time; and could make no more than two short West Indian voyages in the year.

The exported produce of many countries of Europe, indeed, is of annual growth; but it is always wrought up considerably in the country of its production, or collected from a considerable distance inland, by merchants and dealers on commission, who always accumulate a stock sufficient to meet any fluctuation in the demand, either of the home manufactures and retail market, or of the foreign market. The produce of the Baltic countries is partly annual, as flax and grain; partly such as may be had at all times—minerals, timber, and tallow. The articles of the latter class are exported in a state of manufacture, though not much wrought up. The flax and grain are exported almost in the state in which they are reaped. But all the produce, whether annual or perennial (except grain), is collected in the country of its production, by the merchants of Christiania, Memel, Revel, Riga, St Petersburg,

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Gottenburg, &c. Hence, the Baltic trader can at any time send out his vessels, and reckon, with certainty, on their easily getting a cargo. His stock may always be employed in the same way, unless during a few weeks of Winter, when he may export Baltic produce to the countries round the Mediterranean; and import from thence such articles as salt, wines, &c. which are in great demand in the Baltic.

The trade to the Mediterranean is in the same predicament. The articles of annual produce to be found there, are either much manufactured, and perhaps capable of being improved merely by keeping, as wines—or at any rate collected by traders residing on the spots most convenient for shipping to touch at. The trade with Germany is chiefly carried on for the finer manufactures, of which a sufficient quantity may always be had in the hands either of the manufacturer or the wholesale merchant.

But if the American colonies were situated where those countries are, or at a moderate distance to the westward in the Atlantic, the returns of the trade would, indeed, be as quick as those of the European commerce, in so far as length of voyage influences the rapidity of the returns. But the capital engaged in the trade must constantly seek a

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new employment during the period of the year when the planters are occupied with preparing their land, or sowing and weeding their crops. For three fourths of the year it could find no employment in the West Indian trade: it must be shifted into some other channel, and then shifted back again at crop time.

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This change is, in the first instance, a great real loss to the trade. It is seldom that the same vessels, implements, apparatus of all kinds, and establishment of clerks, agents, and warehouses, which are required by one extensive trade, are adapted to others also. Besides, what is of more consequence, every change of capital is a delay to the possessor; and produces the anxiety attendant upon new and expensive schemes. It requires a different sort of knowledge; it is a new business to learn. To the country, the trade of speculators or general merchants is seldom very profitable; and would always be extremely hurtful, if it were not confined to a very small part of the mercantile order. The interloping speculations of such adventurers in the different branches of trade, tend very much to reduce the rate of profits; because those adventurers can scarcely ever be influenced by the same engrossing and monopolizing views which the regular traders in each line seldom fail to acquire; and

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cannot engage in those combinations which the latter have frequently an opportunity, as they have always the wish, of attempting with success. But a great body of the community employing an immense capital in such defaultory and adventurous speculations, and becoming, in fact, general merchants, could answer no good end; would certainly diminish the number of careful traders; and, by impairing the commercial skill of the nation, would undoubtedly diminish its annual revenue. It is as much for the interest of every country, that its capital should be distributed in the different branches of trade by men attached each to his own branch, as it is for the country's interest that the labour should be subdivided among the members of different crafts. The possession of a few speculators in trade, and a few mechanics who confine themselves to no particular handicraft, but study the improvement of all, is certainly an advantage to the community. They form a class by themselves, and occupy, in some sort, a separate department, that of discovery and invention. They are the scouts and partizans of the army, who may be of excellent use in finding out roads and passes, or engaging in desperate service; but they are only subservient to the great mass of military force behind, and must leave the day to be carried by the
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the artillery and the phalanx, by the compact body of horse or of infantry, supporting each other, and advancing more slowly to the charge.

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Thus, the neighbourhood of colonies, by dividing the efforts of traders, and obstructing the separation of employments, would prevent the whole capital of the country from obtaining its most advantageous channel; as any thing that prevents the labour of a community from being accurately divided, diminishes its productive powers.

That the colonies, so long as the present tastes and fashions continue in Europe, and the present qualities remain in the American soil, would attract a vast capital to their agriculture and commerce, as well if near as when remote, there can be no doubt; unless the cheapness of the commodities would diminish their consumption, or the nearness of the market would prevent smaller capitals from embarking in its trade. If we desire an instance of the trade of speculation, or that of the general merchant, being promoted by the demand for the commodities of which the production is confined to one time of the year, we may look to that branch of the foreign trade which consists in importing grain for home consumption. It never happens that any man confines himself to

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this branch alone : it is therefore found in the hands of the general merchant. Some of the great corn markets, indeed, are situated in places where other commodities may be had at all times, and the corn trade of importation may be more easily united with the home corn trade, than it could be with other and different sorts of traffic. But neither of those circumstances would attend the West India trade, in the case which we are supposing : The commodities would be produced in a country where others could not at all times be found ; and the European merchants trading thither, could never find the same articles in any proportion at home. They would therefore become, in a great measure, speculative or general merchants.

Having sketched, in general, the commercial advantages which a state derives from its colonies, and explained the necessary consequences, in a mercantile point of view, which follow from such an intercourse as would naturally arise between the different parts of the empire, if things were left to themselves ; we shall now consider those modifications which the foregoing propositions may appear to receive from the colonial monopoly established by the policy of modern Europe. We shall begin by examining the arguments of Dr SMITH, by far the
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most formidable that have been urged against this branch of national policy, and often repeated by men who are very unfit to appreciate their force, or undertake their defence.

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P A R T II.

OF THE COMMERCIAL RELATIONS BETWEEN A STATE
AND ITS COLONIES, AS MODIFIED BY THE POLICY
OF MODERN EUROPE.

DR SMITH'S * arguments are apparently confined to the colonial monopoly; they are stated for the case of Great Britain, and may be comprised in the three following propositions.

I. The monopoly of the colony trade has partly drawn, by the attraction of superior profit, and partly driven, by the rise of the average rate of British profit, and the increased competition of foreign capitals in the nearer markets, a greater portion of British capital into the colonial commerce, than would otherwise have gone to it. Britain has thus been subjected both to an absolute and to a relative disadvantage, in

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those

* See Wealth of Nations, Book iv. chap. 7. part 3.

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II. The trade to which so much capital has thus been driven and drawn, is less advantageous than that which it has quitted; in as much as part of it has exchanged a foreign trade of consumption with a neighbouring, for one with a more distant country; in as much as another part of it has exchanged a direct, for a round-about foreign trade of consumption; and in as much as a third portion has exchanged all foreign trade of consumption, for a carrying trade.

III. The monopoly of the colony trade has rendered the whole commerce of Britain less secure, by directing it into one great channel, and withdrawing it from a variety of smaller channels in which it would have otherwise been distributed.

These propositions appear to exhaust all that has ever been urged upon the subject, and all that it is necessary to consider with regard to the general policy of the restrictive system. They apply, for the most part, to all the nations possessing colonies in America. But we shall, at present, attend more particularly to the application which has been made of them to the British colonies, that we may not too much anticipate

participate the subject of the next Section ; and may, at the same time, examine them in their relation to those specific instances, by the consideration of which, they appear to have been suggested. I shall, accordingly, in this manner, consider the propositions in their order.

I. Although there can be no doubt that the monopoly established by the Navigation act, and by the system of restrictive laws; of which that celebrated statute was the foundation, had the effect of preventing as great a capital from being employed in the colonial trade as would otherwise have been devoted to it; yet Dr SMITH appears greatly to overrate the degree in which this effect was produced. At the epoch of the law in question, other nations, as well as Great Britain, possessed valuable and extensive colonies in America, and in the West Indies. Their common policy was, to exclude, as much as possible, from their colony trade, every foreign competitor; and thus to constitute monopolies in favour of their own subjects. If those monopolies had been equally favourable to the whole subjects of the nations respectively, it is impossible that any considerable portion of their capital would ever have been directed to the trade of those colonies, the British, for example, which should have remained unshackled by any restrictions;

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restrictions; and the monopoly established by England, would have had very little effect in excluding the competition of foreigners.

But most of the European powers who possessed the American colonies, carried the system further, and confined the benefits of the trade to a particular part of their subjects. Thus, the Spaniards and Portuguese allowed no vessels to sail for America, but from certain ports of the Peninsula. The Dutch and Danes erected exclusive West India companies; and the French occasionally instituted such companies also. Such of the Spaniards and Portuguese as wished to embark in the American trade, could remove to Seville or Cadiz, which were, at different times, privileged cities, and became accordingly the richest and most splendid parts of the Spanish dominions. The Navigation act, it is probable, did not turn away 1000l. Sterling of Spanish or Portuguese capital from the traffic of the British colonies. The Dutch company found its advantage in laying the trade open, upon payment of a small compromise; and the French companies were not of constant duration. Those two nations, however, were to a certain degree excluded from the British colonies; and a part of their capital, formerly employed in that trade, was turned to the improvement of their own colonies, or to the trade of the European market.

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It is evident, however, that, although the English act had never been passed, long before this time (a century ago at least) both the French and Dutch settlements would have been sufficiently extensive to have occupied all that part of the national capital which could be spared to colonial commerce. This is more especially true, if we confine our comparison to those colonies which the three states at present possess. The French islands, in particular, are so much more extensive than the British, and their soil is, for the most part, so much more favourable to the raising of West India produce, that although no monopoly had been established by either the French or British governments, the trade with them would have drawn off all the French capital employed in the traffic with the British possessions. It would besides have drawn part of the British capital from its natural employment, and would have perhaps occasioned a greater portion of the joint stock of the two nations to be vested in West Indian commerce and cultivation. We have frequently had occasion to remark, that, under equal, or nearly equal advantages, men prefer trading to those parts which are subject to the same government with themselves, and peopled by the same race of inhabitants. If no restrictive policy had ever been adopted by the three great commercial nations
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of Europe, it is probable, that, at this day, their colonial trade would have existed nearly in the same state of distribution in which the monopolies have kept it; so long, at least, as each of them possessed a sufficiently extensive colonial dominion to occupy all its surplus stock—to employ all those larger capitals which naturally seek the more distant branches of commerce.

When the establishment of the British monopoly excluded from the colonies a certain portion of foreign capital, and replaced it by an equal portion of British capital, drawn from the European markets, there was evidently an exchange of capitals: the European market gained as much of Dutch and French, as it lost of British stock. It could certainly not gain more; because the surplus of France and Holland could never be increased by the loss of the American demand; and the removal of the British stock from the European market, could only create a demand for such a quantity of French and Dutch produce, as would have been employed in the British colonies, had the monopoly never been established. The colonial market was perhaps understocked more than formerly, for a short time; but the European market remained as before; and the foreign colonies received so much of the foreign capital, as could not be vested in the European trade with the profit

profit which it had before yielded. If France and Holland had possessed no colonies, the rate of profit might, for a time, have fallen in the European trade, from more capital being poured into the market than the new monopoly drew from it: but the immediate effect of this would have been, to drive still more capital from the European market, than the monopoly could of itself have drawn; and the level of profit would thus have been restored. The larger capitals would have been driven off immediately, by the diminution of profits; some of the smaller ones would have been forced back into the home market; and the new stocks, accumulated either in the home trade or the nearer foreign trade, would have been partly attracted to that of the colonies.

As the other countries which enter into competition with Britain, in the European markets, have most of them colonies under the same system of monopoly, it is evident, that the ordinary rate of profit, in all, must be affected by the colonial trade in the same manner: so that the British monopoly cannot be said to have subjected her commerce to a relative disadvantage in those markets, either by keeping the ordinary rate of profits more above, or bringing it less below, that of other nations than it naturally would have been. The country, indeed, which possesses the most exten-

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five and thriving colonies, will in the first instance enjoy the greatest gains from an exclusive commerce with them; but she will, in consequence, accumulate more stock; and this will soon bring the rate of profit lower. If one country abandons the monopoly, unless her example is followed by the rest, either her colonies will receive no capital from the other countries, or they will. In the former case, the abandonment of the monopoly has no effect; in the latter, it reduces both the rate of gain and the total gain of the country which gives up the monopoly. In consequence of the diminished gain, she is rendered somewhat poorer; and in consequence of the reduced rate of profit, she may, in the first instance, be able to obtain a superiority in the European market: but as her stock is not increasing, some part of the capital employed in the colonies must be transferred to the European market, until the colonial profits and the ordinary rate of gain are raised; and, in like manner, some part of the foreign capitals will be transferred to the same market: so that things will speedily regain their former level. It must always be remembered, that a high rate of profit, arising from a great demand, tends, by the accumulation of gain, to reduce itself; whereas, a low rate of profit, occasion-
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ed by a diminution of demand, tends, much more slowly, to enrich a country; and deprives it, in the mean time, of a great share of wealth.

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In the discussion of this question, we are at present only considering the interests of the mother country, with respect to the advancement of the colonies, and its effects in ultimately benefiting the mother country. There can be no doubt, that the monopoly is prejudicial to them, though much less so than has generally been imagined.

The restrictions imposed upon the American settlements, by the policy of modern Europe, have consisted in the monopoly of trade, and the monopoly of labour. By the former, England, France, Spain, &c. have secured to their European subjects, the exclusive supply of their colonial markets, and the exclusive purchase of their colonial produce. By the latter, they have, in several instances, turned the industry of their colonial subjects away from those occupations in which their European subjects are engaged. The one monopoly is established against all foreigners; the other is constituted in favour of a certain class of the community itself to the prejudice of all the rest. So long as the different nations who would employ their capitals in supplying the colonies of any
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one state, or in taking off their surplus produce, are themselves possessed of colonies, the colonies of this state suffer little from the restriction, for the same reason that the mother country itself is little affected by the regulations.

The prohibitions or discouragements given to certain kinds of colonial industry, have rather been superfluous than burdensome. They have generally been framed with a view to prevent that which was never likely to happen. Without any such prohibitions or discouragements, the line of employment most profitable to the inhabitants of all new settlements, is one, in which the labour of the mother country, or of any old and populous state, can never interfere with them—the raising of rude produce.

We have already seen, that, even articles of common use, are always imported, rather than manufactured, in new countries subject to no restrictive laws. The hat manufacture of New England was an object of jealousy to the British Legislature. It is absurd to suppose, that any laws could have prevented the colonists from making hats, even for the use of the neighbouring settlements, so long as it continued to be very convenient and profitable. But in a very short time, the manufacture disappeared, even in so far as it was permitted : and now, without any

any laws whatever, Great Britain supplies the United States with this article, to a much greater extent than ever she did during the existence of the colonial government.

A monopoly of a different complexion still subsists in the British West Indies, in consequence of the high duties upon the exportation of clayed sugars. This is one of the very few manufactures which it would be cheaper for the planters to make than to buy. They could make it, with very considerable profit, for exportation. The process adds greatly to the value and convenience of the raw commodity, and is yet extremely simple: it may be carried on by a very cheap and simple addition to the machinery necessary for boiling the cane juice: and the duty upon the exportation of it, is exactly like a tax upon the flour of one corn district which has abundance of water-mills, in order that another, which has only wind-mills, may reap the profits of grinding. It is said, that the only persons in the British empire who profit by this absurd, unjust restriction, are about fifty families of foreigners, who practise the trade of sugar-refiners in England. The French islands have always been free from this oppression; and owed a considerable share of their former prosperity to so eminent an advantage.

In return for some of those monopolizing regulations, Great Britain has favoured the colonial

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produce, by first discouraging, and then prohibiting the growth of certain articles, which are staples of the colonies. Consistently with the spirit which dictated the prohibitions of some of the finer manufactures in America, she ought to have laid a heavy duty upon the cultivation of the cotton plant and sugar cane in England. The revenue would have profited; the industry of the colonies would have been favoured; and that of the mother country discouraged, by such a law, exactly in the same degree in which the industry of the mother country is favoured, and that of the colonies restrained, by the laws to which I have alluded. But the growth of one colonial staple in Britain, was, it seems, dreaded with more appearance of reason, by the friends of the colonists. The cultivation of tobacco was rapidly increasing; and, lest the planters of Maryland and Virginia might be forced to turn their industry from this to some other line of employment, the statute 15. Car. II. cap. 7. commonly called the Navigation act, conferred and increased the penalties which had been imposed upon this culture, by the 12. Car. II. cap. 34. In spite of the tax of ten pounds Sterling *per* rood, the trade of tobacco planting was found to be sufficiently profitable: so the Legislature, in order to show clearly that the law was intended to be prohibitory and not
fiscal,

fiscal, gave to the Justices of Peace power to 'pluck up and utterly destroy' all tobacco plant- in England and Ireland by 22. & 23. Car. II. cap. 26. This monopoly of rude produce in favour of the colonies, is exactly the counter- part, in spirit at least, to the monopoly of ma- nufacture given to the mother country in the article of sugar, although it has not had any of the bad effects to the mother country which the latter has had to the colonies.

The statute 21. Geo. II. c. 30. granted a bounty on the importation of indigo raised in the colonies; while the statutes 23. Geo. II. c. 29. and 30. Geo. II. c. 16. prohibited the colonists from erecting slit-mills and furnaces, which, amongst other bad effects, diminished the price of timber, and impeded the clear- ing of lands. To secure the planters against any competition that might arise from the su- perior fertility and lighter taxes of some foreign islands, a duty is imposed on the importation of foreign muscovado sugar, amounting to nearly double of that which is laid on British musco- vadoes; and on foreign clayed sugars, there is laid a duty of somewhat more than three times the duty on British muscovadoes. This a- mounts to a monopoly in favour of the great colonial staple, which has, however, free ac- cess to the foreign, as well as the British mar- kets. Dr SMITH seems to insinuate, that the

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privileges granted to British sugar have all the effects of enumeration. * They have only the effect of tempting the commodity to the British market, whereas the enumeration drives it thither.

All these laws of encouragement, as they are called, prove only the good intentions of the Legislature towards a certain class of the community. A trade can never be profitable to the community, and not often to that class which carries it on, if it cannot be supported without bounties and exclusive privileges.

In many important particulars, the British colonies feel no restrictions from the operations of the monopoly: the utmost freedom of trade is allowed them with each other; and, before the American revolution, the continent and islands formed a large internal market. Since that unfortunate event, the commerce between the United States and the British colonies has been less free: but the mutual advantages of trade with such near neighbours, and with such good customers, has induced both nations to relax the strictness of their Navigation laws; and the commercial treaty of 1795 † allows American vessels, not exceeding seventy tons, to trade between the continent and the islands,
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* Wealth of Nations, Book iv. cap. 7. part 2.

† Art. XII.

upon the same footing on which British vessels were allowed to engage in that trade by the statute 23. Geo. III. cap. 39. ; by the consolidation act, 27. Geo. III. cap. 13. ; and by the annual orders of Council. This important article still continues in force ; and, although temporary, like most abatements of restrictive laws, it contains a clause of renewal after the peace, of which there can be little doubt that both the powers will avail themselves.

The exclusion of foreign shipping is relaxed in some of the principal ports of Jamaica, Grenada, Dominica, and New Providence, by the Free-port law, 27. Geo. III. cap. 27. ; by the statutes 30. Geo. III. cap. 29. and 31. Geo. III. cap. 38. ; made perpetual by the 32. Geo. III. cap. 37. ; and amended by 33. Geo. III. cap. 50. : and those islands are thus permitted to carry on a free trade with all foreign colonies, by receiving foreign vessels of one deck for the purposes of importation and exportation. The inland trade of the North American colonies (except the territories in the charter of the Hudson's Bay Company) with the United States, or the trade which is carried on by roads, rivers, lakes, and canals, is thrown perfectly open by the commercial treaty of 1795. *

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* Art. III.

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The enumerated commodities do not comprehend the great West India staple, sugar, which may be exported directly in British vessels to any foreign country; and the non-enumerated articles may be carried to all countries south of Cape Finisterre: so that, to those, the whole market of the Mediterranean and Levant is open. It will be observed, that those are the countries in the south, which possess no means of obtaining, directly, the supplies of colonial produce; and that the supply of the north is provided for as profitably to the colonies, through the medium of the mother country, whose situation renders her the natural entrepôt between America and the Baltic. Here then, again, the restrictive policy has only secured, by a superfluous and harmless anxiety, that arrangement which would of itself have taken place if things had been left to their natural course.

The ships of the colonies enjoy, in every respect, the same privileges, under the monopoly, with vessels belonging to the European parts of the empire. And how little injurious the effect of the restriction has been, by preventing a competition of foreign shipping; or, rather, how much the monopoly, by turning many British capitals into the colony trade, according to the opinions of some, and at any

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rate by augmenting her mercantile navy, has favoured the transport of colonial produce, may be perceived from the comparative freight in the English and French colonies. The freight of sugar from the French Windward Islands was, in 1788 and 1789, eighteen and one fourth *per cent.* higher than the English; and the freight from St Domingo was twenty-five *per cent.* higher than from the French Windward Islands.

Without entering further into this very extensive subject, we may conclude, from the foregoing details, that the bad effects of the monopoly, even to the colonies, have been extremely overrated; that the exclusive privileges are in some cases quite nugatory and superfluous; that they are in many instances reciprocal; and that the interests of those remote parts of the Empire, though certainly less consulted than they would have been by the liberal and enlightened policy which is at present beginning to influence the commercial views of the European states, are nevertheless, except in a few particulars, not very grievously restrained.

The system of colonial monopoly, adopted by all the European nations, and distinctly stated in the preamble to the Navigation act as the model upon which Great Britain purposed to arrange her plan, appears to have been the result of a wish, that the most distant

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tant provinces of the state should have the same commercial relations with the mother country, as if they had formed an integral part of her body like the contiguous provinces. The proximity of the different districts which form one compact territory renders their mutual commerce to a certain extent more profitable than any other foreign trade, either of consumption or of exportation. They only import all those articles which they cannot get from each other; and they only export their surplus produce, that is, those commodities which they cannot sell to each other. But the distance of a colony renders it as profitable to trade with those foreign countries which are at the same distance with the parent state, and more profitable to trade with such as are nearer. In order to prevent this, and to counterbalance, by force, the effects of natural circumstances; to complete, in this particular, the connexion of the colony with the mother country as an integral part; and to reconcile what in the nature of things is a contradiction—greater distance with more brisk and constant commercial intercourse, the system of monopoly appears to have been invented. Its arrangements have been modified by the character of the nations and governments which have adopted it. Those, whose internal poli-

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cy was most liberal and enlightened, have always adopted the policy most favourable to the colonies, and most universally beneficial to the different classes of their European dominion. Some states, in order to supply themselves with the produce of their own territories, and to afford the means of enriching the towns at a cheap rate, have ultimately diminished those supplies by preventing the exportation. By a singular contradiction, the same states have endeavoured to prevent foreign nations from supplying them with various commodities, and thus immediately rendered those articles scarcer and dearer to themselves. It is in the policy of such states that we must look for the most rigid and foolish system of police extended over their distant territories. We find them, accordingly, granting to a particular class of their own subjects the privileges of supplying all the rest with colonial produce, and of providing the colonies with the produce of the mother country. The first effect of more enlightened political views has always been the abolition of such partial restraints, while the total exclusion of foreigners remained in force.

Exclusive companies have, at different times, obtained the management of colonial trade, in every country of Europe. At first, Spain and Portugal, instead of companies, adopted a policy

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In the English system, very little harm was ever done by the management of American companies; their privileges were not of a very hurtful nature, and their duration was very short. The proprietary rights had much more injurious effects, and lasted till a far later period.

The French have occasionally adopted the expedient of companies. Towards the end of the seventeenth century, the government bought up the West India Company's stock, and laid open

open the trade, under the superintendance of the great Indian Company. It was afterwards put into the hands of the famous Mississippi Company, the last institution of the kind known in France. Since the downfall of that celebrated adventure, the American trade has been open to all France; and the general system of monopoly has resembled that adopted by Great Britain.

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The Dutch Company, like the Plymouth Company in England, has always exercised the political, as well as mercantile government of the colonies comprehended within its charter. In this department, the Spanish and Portuguese governments have never permitted any interference. The Dutch Company, for many years, retained only the African trade. And the establishment of free ports in their most important island, rendered that settlement (little favoured by nature) extremely flourishing. The Danish government, after throwing open the trade of their small but thriving settlements to all the European provinces of the mother country, proceeded a step further, and, like the Dutch, gave their islands the benefit of free ports.

Thus has the restrictive spirit of all the European powers, in their views of colonial policy, gradually relaxed, in proportion as more enlightened views of policy gained ground.

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We shall afterwards attend more particularly to the history of those important changes. At present, it is sufficient to remark, that a sudden relaxation of the monopoly system by one power, England for example, would have answered no good purpose, while she was surrounded, in her colonial dominions by the possessions of the other states, subject to the restrictive policy common to every one of the nations who possessed American territory.

II. The colonial monopoly is alleged to be disadvantageous to the mother country, by drawing into a foreign trade of consumption with a remote country, a capital formerly employed in a foreign trade of consumption with a neighbouring one; by turning part of the capital from a direct to a roundabout foreign trade of consumption, and part from all foreign trade of consumption to the carrying trade.

I have already shewn, at great length, how erroneous it is to consider the colony trade as a foreign commerce. The monopoly of the colony trade, if it does attract any stock from its natural employment, only draws capital from a near foreign market to a distant part of the home market; or from carrying on the trade between one part of the country and a neighbouring state, to carry on the trade between

tween a remote part of the country and a neighbouring state, in order to benefit either the near or the remote part. Whatever disadvantages might arise to Great Britain from the establishment of a monopoly in favour of the southern counties, at the markets of Yorkshire, it could scarcely be said that it would injure the nation, by drawing capital from the trade carried on with the south side of the channel to the inland or coasting trade; or from carrying on the trade between Kent and Calais, to carry on that between Hull and Kent, for commodities needed both in Kent and Calais; or from carrying on any trade between Kent and Calais, to carry on any one between Hull and Kent.

I have also examined the consequences of flow returns in the colony trade, and compared it, in this respect, with the foreign trade of consumption. But, independent of all other considerations, it must appear evident to every one who considers this second objection to the exclusive system, that it is fundamentally levelled, not only against the monopoly, but against the trade itself, even in the freest state in which it can be conceived to exist. Dr SMITH, indeed, disclaims all objections to the colony trade; but he states, under the form of objections to the monopoly, an argument which applies directly
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to the free trade: it is the principal one, and forms the basis of all the others. If, as he contends, a distant commerce is always less advantageous to a country, than a trade with neighbouring states; if the capital which it employs is replaced more slowly, and puts into motion a smaller portion of productive labour: then we must allow, that this traffic, even when free, is hurtful; and that this employment of capital, when neither the effect of compulsion nor of seduction, is less advantageous than other employments. The monopoly, it is said, draws or drives into the disadvantageous employment, more than would otherwise go. But, even were we to admit this, it would only prove, that a colonial trade monopolized, is a greater evil (though of the very same kind) than a colonial trade left free. The following considerations may lead us to appreciate the real effects of the colonial monopoly, in producing this increase of the evil, as it is called, or in rendering the returns of a portion of the national stock slower than they would otherwise be.

1. The interests of traders, in the employment of their capitals, are by no means the same, in all cases, with the interests of the community to which they belong.

That trade, of which the profits are moderate, but the returns frequent, is, in the general,

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general, much more advantageous to the bulk of the society, than that trade, of which the returns are slow, and the profits great. More industrious people gain by the former, than by the latter operation; since large fortunes are accumulated, but a much greater number of moderate ones are made; and the whole stock of the nation receives a much more important and better distributed addition.

But the possessors of trading capital naturally seek for that employment of it which may secure to themselves the greatest accumulation of profits. They feel no interest in the total income or savings of the country: their own interest leads them to consider how they may most rapidly acquire a fortune to themselves. The interest of the country points to the trade of quick returns, and small profits: the interest of the merchant points to large profits; and only to quick returns, as the means of increasing the profits, if his capital is sufficiently extensive to enable him to afford to lye long out of his money. A trader will certainly prefer a commerce which returns his stock twice a year with a profit of five *per cent.*, to one which replaces it yearly with a profit of ten *per cent.*; but he will prefer a trade which replaces the capital at the year's end with a profit of fifteen or twenty *per cent.*, to one which

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which only gives the profit of five or seven *per cent.* at the end of six months. Without any other inducement, therefore, than the great profit, he will employ his stock in the way least beneficial to the rest of the community.

A monopoly can only create or increase this disadvantage, by creating or increasing the superiority of the profits in the distant trade over those in the nearer trade. The natural disadvantages of a distant market must always be compensated by increase of profits; otherwise, no capital would ever find its way thither. If all colonial monopoly, for instance, were at an end, and, the trade being thrown open, a competition were to reduce its profits to a level, or nearly to a level, with those of the European market, some capital from each country would be withdrawn to the latter market, until the profits of the colony trade rose again. They must always stand considerably higher than the profits of the European market, otherwise no capital would follow them. The monopoly, then, cannot be said to create the superiority of colonial profits, or to draw thither all the capital which that superiority attracts.

2. When the competition reduces the profits of colonial trade, it is very easy to perceive what capitals will be the last to leave it. The
merchants

merchants of foreign countries, who had been attracted by the abolition of the monopoly, but whose countries have no more connexion with the colonies than with the parent states in Europe, will much more easily be driven from a trade, in which they had much less inducement to engage, even at equal profits. British stock (for example) will be much more easily drawn from the trade of the Dutch and French settlements, than Dutch or French stock. Traders have a real advantage in dealing with those who speak the same language as themselves, obey the same laws, and follow the fates of the same government. This is a circumstance wholly unconnected with the monopoly, and is essential to the nature of colonial relations. It is the advantage which draws capital to the distant and less profitable coasting trade of any country, in preference to a more profitable traffic with a nearer part of some foreign state. While, therefore, the free trade drives off to other markets a great part of the foreign capitals vested in the colony trade, the great proportion of the capital that remains in it will belong to the mother country; a proportion rendered still greater by the increased competition of the displaced foreign capitals in the nearer markets. This must happen in the case of one nation possessing all the colonies in

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the world ; but it will happen still more if each trading nation has colonies, and, most of all, in the actual case of each nation possessing colonies of the very same kind, situated in the very same parts of the world. A distribution will thus take place, regulated entirely by the circumstances of colonial, and independent of any partial restrictions or exclusive privileges.

3. If, by any change in the colonial policy of Europe, the colony trade were thrown open to all nations, with equal, or not very unequal advantages, the stock formerly employed in any particular branch of it, would naturally remain there, in preference to all other employments. A considerable difficulty, some anxiety, and great temporary expence, attends all changes of stock from trade to trade, and from place to place in the same trade. The stock, too, not immediately engaged in colonial trade, and the industry which that trade puts in motion, become adapted to the particular demands of the distant market. Certain branches of manufacture, as well as the art of constructing vessels of a certain description ; the raising of certain kinds of produce ; the establishment of certain branches of commerce with neighbouring countries, as subservient to, or springing from, the colonial trade ; the education of

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men in a particular line of business, and the acquisition of certain kinds of knowledge—all rise to perfection from a long habit of engaging in the trade with the colonies as a separate and peculiar profession. A change in those important particulars, is both disagreeable and expensive: it is attended with great anxiety, and much actual loss.

Whether, then, the monopoly, or the natural circumstances of the colonies, independent of positive institution, have settled in different channels the capital of different trading nations, the establishment of a free trade would with difficulty change the course of the stream, although some diminution of its force, or beneficial influence, should take place; nearly the same quantity as before would continue to flow in the accustomed channels, with the same rapidity, and towards the same reservoir. The capitals of each nation would retain a bias towards that direction into which long habit had drawn them, although the new arrangements might vary the proportions of each in the division.

4. We have already examined those circumstances which influence the distribution of the capitals of any nation, and incline capitals of a particular description to follow the more

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distant employments, while they confine others to the contiguous markets. Those causes, too, are altogether unconnected with, and beyond the influence of monopolies or restrictive laws of any sort. No monopoly can carry to America that stock which is engaged in the smaller retail trade of a country, any more than the natural superiority of colonial profits can draw such a stock to that remote employment. The larger capitals, then, of any country, will generally find their way to the colonies in preference to the home market, or the nearer foreign markets, and to the colonies of that country in preference to the foreign colonies—after an entire freedom of trade shall have opened every branch of the home trade, and European trade, to all orders of men, and to all countries—and after an entire freedom of colonial commerce shall have admitted all nations to such a share in its profits, as their circumstances may enable them, or induce them to seek.

5. The increase of new colonies is much more rapid than that of old countries: the demands for capital in the former, are far more urgent and progressive than the accumulation of stock in the latter. Although a system of perfect freedom were to be adopted in the colonial policy of all the European nations, as certain

tain capitals only in each nation can enter into the distant commerce, it is not probable that sufficient stock could ever be employed to reduce the profits nearly to the level of other trades: they would certainly be somewhat reduced, but the trade would still be sufficiently wide to receive all the capital which each commercial nation could pour into it. At any rate, the whole large capitals of a country possessing colonies would find their way thither. The rapid increase of the colonies would outstrip the augmentation of supply occasioned by the accumulation of the mother country. If any capitals had not at first been vested in the trade, or been driven from it by the competition, they would now be drawn to it, as the whole accumulation of the European capitals would be insufficient. The profits of the European trader would be rendered somewhat lower, though not much, as the prices would still be monopoly prices, both to the European buyer and seller, from the increasing demand for European commodities, and the increasing supply of colonial produce. Any diminution of profits would only be a real loss to the mother country (though perhaps an advantage to the colonies), without tending to confine any of the larger capitals to the home trade, or the nearer foreign trade of consumption. Besides, such a diminution would tend to correct itself: for it

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would retard the accumulation of the stock destined to carry on the colonial commerce, while the rapidly increasing market would require more and more supplies daily.

The history of the British commerce with the United States of North America, furnishes ample proofs of the foregoing reflections, and enables us to judge of the effects produced by a much stricter, and more extensive monopoly, than any now possessed by the British merchants, upon the distribution of their capital.

It appears from the Customhouse books, that the average exportation to the colonies now forming the United States, in the years 1771, 1772, and 1773, amounted to 3,064,843*l.*; and in 1784, it was 3,359,864*l.* Yet the Americans imported considerably more than their usual quantity during the years immediately preceding the rebellion, because they were preparing themselves for their nonimportation agreements; and, during the first years of peace, we cannot suppose that the British capital, which had been seeking different employments while the war lasted, should all at once find its way into the old channel. Nor did any diminution take place in the fisheries, and other distant traffics, which had been increased during the war. On the contrary, the tonnage employed in the Newfoundland fishery, had been augmented by above one half between 1765 and 1785. The

exports

exports to the United States since the peace of Versailles, have been rapidly increasing. The average of 1790, 1791, and 1792 (the last three years of peace) was 3,976,211l. ; and of 1798, 1799, & 1800 (the last years of war) 6,507,478l. In spite of the free trade, then, more capital was poured into the American commerce, immediately after the independence of the States, than had been employed there during the existence of the colonial system ; and, in fifteen years of free trade, the amount of the capital employed had nearly doubled.

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The imports, indeed, have not been continued in the same way. The average for 1771, 1772, and 1773, was 1,322,532l. ; in 1784, it had fallen to 701,189l. In 1790, 1791, and 1792, the average rose to 1,141,337l. ; and in 1798, 1799, and 1800, it was 1,986,528l. : being nearly in proportion to the exports as one to 3.26 ; whereas, before the war, it was as one to 2.3.

Upon this deficiency in the imports (which, after all, is not considerable), we may observe, in the *first* place, that it is no proof of a smaller capital being employed : it only shows, that the trade with the United States has become less a trade of barter than it formerly was ; that, instead of somewhat less than one half of the returns being made in goods, there is now somewhat less than one third made in

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that form ; and that the capital employed in the trade, is replaced more in money and bills than it formerly was. This would even be a great consolation to certain politicians : it is what they are pleased to call a favourable balance of trade. Although there is evidently no advantage in such a trade, as little is there any proof that it employed a smaller capital ; for we cannot imagine that any vessels cleared out from Britain to America (at either of the periods which we are comparing) with goods, and returned in ballast.

But, in the *second* place, the difference in the amount of the imports is not altogether the consequence of the free trade. It is in part, no doubt, the consequence of the competition, which prevents British vessels from monopolizing the carrying trade between North America and Europe ; but it is, in a great part also, the consequence of that system of restrictions which has succeeded to the colonial intercourse between Britain and North America. From absurd ideas concerning a balance of trade, the exportation is allowed to be perfectly free, but the importation is hampered with restrictions. Formerly, it was not only free, but monopolized ; now, it is not even free. Always to sell and never to buy—all trade, and no barter—is the grand maxim of the mercantile system. The United States are now considered

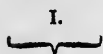
considered as foreign countries, whose money it becomes Great Britain, as much as possible, to drain. The limitations previous to the commercial treaty of 1795, were numerous and strict; and, even by the stipulations of that treaty, the American goods imported into Great Britain have only the same freedom with those of other foreign nations. We may conclude, then, that an entire freedom of the American trade would neither have prevented nor diminished the influx of British capital into that channel; and that the monopoly, by raising the profits, was, on the whole, rather an advantage to the distant branch of the national commerce.

The similarity of manners, language, and laws, which continued to unite the mother country with her former colonies, in spite of their rebellion, continued to draw a greater proportion of British capital and industry to that quarter, than of capital or industry belonging to any foreign nation. The colonial relations were indeed at an end; but almost all those circumstances continued to connect the two people, from which colonial relations derive their power of promoting commercial intercourse.

6. We have hitherto considered all the nations engaged in the distant trade as on a level,

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in the competition for the advantages which the abolition of colonial monopoly would throw open to all. But three circumstances must always create, more or less, a difference between the trading nations in their powers of turning such an opening to their advantage.

In the first place, their capitals may be of different extent. One nation may possess more of those capitals which are fitted for the colony trade; another may employ in it all the larger capitals which it possesses, and yet leave a blank, which the former, the richer country, will fill up. The capitals, of the proper extent for such a trade, may be of different standards in the two nations; and although each may possess a sufficient number to take its share, those of the one may be greater than those of the other which are suited to the colonial commerce.

In this case, the traders whose capitals are largest, will undersell all the others, and thus make way for a much greater proportion of the capitals of their countrymen, than foreigners could afford to employ in this manner.

In the second place, the commodities of one nation may be better and cheaper, from the richer quality of the soil, the greater extent of manufacturing capital, and the superior skill or industry of its workmen. The trading capital destined to carry those commodities to the colonies,

lonies, will naturally come chiefly from the nation that possesses them at first hand. British vessels can sell Yorkshire woollens to the colonist in America, cheaper than French or Dutch vessels can. Such a direct trade is more advantageous to Britain, than such a carrying trade would be to Holland or France. But,

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Lastly, the nation which possesses the greatest number of good dock-yards, and ship-carpenters, and the largest body of skilful seamen, will be able to afford carrying on the trade of supplying the colonies at a smaller expence of freight, and somewhat smaller charge of insurance, than any other nation.

The possession of a good mercantile navy depends partly on the natural situation of the country, and partly on its wealth. A nation inhabiting a maritime territory, intersected by navigable rivers, and possessed of a large portion of wealth, from physical resources, or industry and skill, will present a greater demand for seamen; and, by internal navigation and the coasting trade, will breed a numerous body of men fit for distant voyages. Such a nation will be able to carry goods much cheaper, and considerably safer, to remote parts of the world. It will partly carry for other states, less favourably circumstanced in this respect; and it will undersell them in the distant market, by the cheapness

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cheapness of freight and insurance, although, in the home market, the articles were no cheaper nor better than those of its neighbours.

It has been the policy of most of the nations possessing colonies, to encourage the breed of seamen, and the building of ships, by imposing particular restrictions upon the employment of foreign vessels and crews. No nation has adopted this plan more steadily or successfully than England. Her system of Navigation laws, though at first they may have been prejudicial to the interest of her colonies, and to the progress of her own opulence, was very soon known only by its good effects. It must have made freight and insurance dearer at first; but it soon rendered them cheap and profitable to the mother country, by drawing into that species of employment a vast number of hands, who would otherwise have formed, certainly, not the most valuable part of the population, and whose loss, if at all felt, would be speedily supplied; because, although the demand for seamen was increased, the demand for manufacturing labour was not diminished nor retarded in its progressive increase. This department of the monopoly, though dictated by a most illiberal spirit of mercantile jealousy, has been allowed by all writers, even by Dr SMITH himself, to be profitable.* That author admits the propriety of encouraging

* Wealth of Nations, Book iv. cap. 2.

encouraging a particular branch of industry, in consideration of its political utility; and states this as a sufficient reason for introducing an exception to the general censure which he passes upon the restrictive policy of the mercantile system. It must be observed, however, that there cannot be a greater error, than to endeavour, by any such line of policy, to force into the situation of a maritime power, a nation whose resources and progress are not naturally favourable to this species of opulence or of force. The Navigation laws of England operated upon the distribution of wealth and industry already in the country, or upon the direction of resources and capacities which the nation possessed. Perhaps it only anticipated, by a short period, that state of things which the course of national prosperity might afterwards have established of its own accord.

To propose similar measures to a poor or an indolent community, or a state possessing little sea-coast, would surely be to begin at the wrong end of the work, and to mistake, for the original cause of mercantile or political grandeur, that which is only an effect of it, though an effect whose reaction, at a certain period of the state's growth, may serve to accelerate the progress of that development from which it sprung. It would be a mistake, besides, hurtful in the
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extreme to a nation in such circumstances: it would divert from useful employment part of a capital essentially necessary to an understocked country, and drain, at once, that soil, from which, in the progress of time, the plant would itself rise, for the foolish purpose of hastening its growth before the soil could support or bring it into maturity. *

Of these three circumstances, superiority of capital, excellence of natural produce or manufacturing skill, and naval expertness, different nations may possess an advantage in one, and be deficient in the rest. If no absurd regulations interfere, and no natural impediment interrupt the progress of opulence, there is a connexion between the whole three, which renders it certain that a nation will obtain the superiority in all. A maritime country, which possesses the advantages of skill and capital, is sure to acquire naval industry; a country, wherever situated, which possesses industry and skill, is sure to acquire capital; but another nation, without the same advantages of wealth and skill, may engross the trade of carrying for an inland neighbour of greater natural and acquired resources.

In the first part of the seventeenth century, the Dutch, whose capital was greater, and who from
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* Note N.

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want of territory had applied themselves to naval affairs, were the carriers even of Great Britain; and, during the whole of that century, they engrossed the carrying trade of all the rest of Europe. But the advantages of situation, assisted, no doubt, by the Navigation law, have secured to Britain, since that period, a general superiority in all the three circumstances of capital, industry, and marine. If the colonial trade, then, had been laid perfectly open at any time since the system of colonial relations occupied the attention of the European powers, Great Britain would have been able, upon smaller profits, and at a longer credit, to supply the American market, in general, with better commodities. Much more of her capital would have gone thither, than of any other capital; and, in particular, the advantages of colonial connexion would have drawn into the commerce of her own settlements, as many of the British capitals fitted for the operations of the distant trade, as the colonial commerce could receive. Independently, then, of the monopoly, the same quantity of the national stock would have been drawn to a trade of slow returns, as is now engaged in it; and the same quantity taken from the operations of the home trade, or of the trade of the neighbouring nations of Europe.

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It appears, therefore, that the effects of the monopoly, which the colonial policy of modern Europe has adopted as the basis of its system, have been much overrated; and that political inquirers have ascribed to this system, various events and changes which the operation of other causes prepared, and the natural course of things would have brought about, even if no interference or restriction of colonial trade had ever formed a part of the mercantile theory, and the foundation of that supremacy which the mother country exercised over her distant provinces.

III. It has been said, that the colonial system, by adapting the industry of the mother country to one large market, instead of suiting it to a variety of smaller ones, renders it, on the whole, less secure. This argument, from the illustrations which it has received by many apposite similes drawn from the functions of the animal system, has appeared in an extremely specious and seductive shape. If we examine it a little more attentively, we shall be convinced, that it owes much of its force to false analogy, and to the peculiar circumstances of the time and country in which it was brought forward.* The only evil that
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* Note O.

can arise from the determination of much of the industry and capital of a country towards one point, or from what is called the derangement of the balance that ought to subsist in the labour and trade of a country, consists in the chance of that part being removed, or the connexion with it destroyed.

A great proportion of the vital fluid has been made to circulate in a particular artery or limb; and an obstruction in the one, or an amputation of the other, must be fatal; while the destruction or stoppage of the smaller arteries is scarcely felt. In the animal system, we know this balance to be necessary, though we cannot tell why. In the political system, it seems altogether fanciful, and founded on analogy. The only danger of destroying this equilibrium, arises from the chance that a great calamity may take place—the dismemberment of the empire. This is, indeed, an excellent reason for dreading such a misfortune, though it can scarcely be said to furnish any argument against those operations which have been the natural result of the union of the parts, and which we have shown to depend upon the relations between them, and not on the monopoly, or any other artificial cause. The industry or capital employed in the internal commerce of any country, in carrying on the trade between the country and the towns,

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is beyond all comparison greater and more important, in every respect, than the most overgrown branch of foreign commerce : it is indeed greater than all the foreign commerce of a people the most deeply engaged in mercantile affairs. Any domestic broil, then, any civil war, revolution, or dismemberment of the country, is much more to be dreaded, than any rupture with a neighbouring state. This reason is a very strong one for avoiding all measures, the tendency of which is to produce anarchy or convulsion : it is no reason for discouraging that species of industry, and that employment of stock, which renders such change or confusion formidable. Besides, the very circumstances of such events being dreadful, and the intercourse which makes them so much to be deprecated, naturally prevents their occurrence. A person would be extremely foolish, who should deposit half of his fortune in a crazy box, and send it to his banker by the waggon : but, having once entrusted his property to a repository, he will naturally endeavour to make it strong, to secure it a safe conveyance, and to insure it against risk. The danger consists, not in placing his money in a box because it may be insecure, but in neglecting to choose a strong box. The event to be dreaded, is, not that which makes him trust his cash to an imperfect conveyance, (for every thing hu-
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man is imperfect) but that which may render the conveyance unsafe, because he has entrusted his cash to it.

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The colonial commerce, which, when rightly understood, is an important branch of the home trade, naturally produces relations between the different parts of the empire, which render any dismemberment or civil war the event most of all to be deprecated, after a war amongst the contiguous provinces. On this very account, both parties are almost equally anxious to avoid it; and, consequently, a colonial war, is, next to a civil war, the most unlikely of all events. The enemies of all colonial trade (for we have seen that the monopoly does not materially increase the danger) strongly recommend the employment of capital in the commerce of the nearer countries. Yet a rupture, at any time, with these, is beyond all calculation more probable than a rebellion of the distant provinces. It is above three centuries since the system of colonial establishments has been adopted; yet a single instance only has occurred of a colonial dispute that deserved notice, as having terminated in the success of the colonies. But, during that time, the different mother countries have been oftener at war with each other, than in a state of peaceable intercourse. Let it be remembered, that, both

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during the colonial war and the late contest, Great Britain was in a state of violent hostility with almost all her customers in the nearer market, and in a state of discontent, bordering upon a rupture, with those of the more remote parts of Europe. Had her trade been confined to the operations of the European market—to the intercourse with Holland, France, Spain, Italy, and the Baltic; each of those wars would have been exactly that obstruction in a great artery—that amputation of an overgrown limb, which we are taught to dread as fatal.

The same remark may apply, in a greater or less degree, to all the European wars. By the political relations of the different states, the nations formed, by their situation and circumstances, to be the best customers to each other in the market, are those, whom every change of dominion, every popular quarrel, every freak of princes, every theory or caprice of statesmen, draws into the field as enemies. The colonies always follow the fortunes of their parent states; and ages of friendly attachment, or filial submission, may elapse, before the blind injustice and violence of the mother country, or the factious and rebellious spirit of her children, shall disturb an intercourse mutually beneficial. The contest then impending with America seems to have intimidated all the political reasoners of
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that day, and to have inspired them with a disgust at all colonial possessions. They saw brought about, by the most glaring impolicy, and the most singular concurrence of circumstances, an event, which was dreadful in proportion as it was novel. They apprehended the immediate derangement of a system, whose internal œconomy and operations had rendered each part dependent upon the rest. The limb was about to be amputated, in which so much of the juices and aliments had been secreted; and such a catastrophe was apprehended, as the natural evil of that copious secretion—as a disease which might be expected to recur, like any of those stoppages that frequently interrupt the circulation and other functions of the system. The state doctors, therefore, prescribed for their healthy patients, with the terrors of this new malady before their eyes. They adapted their medicines to the belief that this uncommon disease would constantly recur. They ordered a regimen, calculated to prevent it from proving dangerous; but forgot the more common accidents and complaints which every day attack the system. To lessen the dangers of an internal combustion, or some such rare casualty, they exposed, to the attacks of fever or catarrh, a body, reduced by their theories to a state of debility which must render the slightest consequences of the latter maladies fatal.

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Nor should it be forgotten, that the same causes, which render a dismemberment of empire dangerous, and tend to prevent it from happening, tend also to restore order to the system, after a derangement has unfortunately taken place. These constitute that *vis medicatrix*, by which the political body constantly reunites its broken parts, and fills up those accidental losses which it may have experienced. A few months after the civil wars of England and France, and the still more fatal civil wars of these latter days, that internal communication of commerce, which had with difficulty been interrupted by the troubles of a season, was easily restored to its former regularity and vigour. After the unhappy catastrophe which attended the colonial war of 1776, we have seen how the former intercourse was resumed with mutual avidity, and carried to a greater extent than ever. In like manner have the various relations, political as well as commercial, between the mother country and the colonies, been speedily restored, after the extinction of those less fatal rebellions to which the French and Dutch settlements have been at different times a prey. The colonial dissensions of other nations have never worn a formidable aspect since the days of Gasca and the Pizarros.

No commercial intercourse can ever be valuable, which does not contribute greatly, and almost

almost equally, to the advantage of those who are engaged in it. The reciprocity of interests which first established the connexion, and which rendered the suspension of it mutually hurtful, will always render the restoration of the tie mutually desirable, and smooth the way to a reconciliation; while the experience of the inconvenience and injuries attending the interruption, will render the recurrence of the evil still more an object of dread, and strengthen the connexion for the future. The mutual benefits of the union, form at once the pledge of its durability; the security for its re-establishment, if casually suspended or broken; and the confirmation of its strength, when restored.

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I have now stated every thing that appears necessary, in order to form a clear idea, not only of that commerce which a state naturally carries on with its colonies or remote provinces, but of the effects which the policy of modern Europe has produced upon the operations of this intercourse.

I shall proceed to explain, more particularly, the colonial relations of the different European powers, and the circumstances in their history and present state, which may enable us to appreciate the relative importance of their colonial systems, whether in a political or commer-

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cial view. As the principles upon which a comparative estimate must be founded, have been already fully detailed, the remaining part of the Inquiry will be reduced to a narrow compass: it will consist entirely in an application of those principles to the facts.

S E C.

SECTION III.

OF THE PARTICULAR RELATIONS OF THE COLONIES
OF THE EUROPEAN POWERS TO THEIR MOTHER
COUNTRIES.

IN considering this very extensive subject, I shall begin with describing the colonial policy of the Dutch; I shall then proceed to that of Spain and Portugal, Denmark and Sweden; and shall conclude with that of Britain and France. My reason for adopting this arrangement, will be sufficiently obvious to every one who has attended to the principles laid down in the foregoing Sections.

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III.

From various circumstances, which I shall minutely consider, the colonial system is more necessary to Holland, and occupies a greater space in her national polity, than in that of any other country of Europe. Spain and Portugal, with the two northern powers, different as the circumstances of those states may at first appear to be, are exactly in that situation, with respect to colonial relations, which forms the extreme case opposite to the situation of Holland. England and France are in the intermediate place between the two extremes. I shall therefore consider them in the last place.

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It will be necessary to enter more minutely into the discussion of the Dutch policy, both because the circumstances of the republic present us with constant and striking illustrations of almost all the general principles formerly laid down, and because the Dutch have long attained that situation, towards which, every commercial people are advancing with a rapidity proportioned to their natural advantages and mercantile prosperity. In this way, it will happen, that many disquisitions may be comprehended under the first part of this Section, which we shall have no occasion to repeat in the course of the remaining parts.

PART I.

OF THE COLONIAL POLICY OF THE UNITED PROVINCES.

THE mercantile splendour of Holland * has been the consequence, not of any natural advantages, but of a great variety of defects in climate and situation. A number of inhabitants, crowded together in a very small territory, not remarkable in any part for fertility, and

* Where the word '*Holland*' is used, I follow the common form of speech, by which that province is put for the whole federacy. Where the particular part of the federacy, strictly so called, is meant, I prefix '*the Province*.'

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and in many places absolutely barren, soon found themselves forced to repair, for the necessaries of life, to the ports of more fruitful and less populous countries. The sea, too, afforded them supplies neglected by those nations which abound in the produce of the soil. This species of agriculture, as it has been called, turned the attention of the Dutch to a seafaring life, and improved their skill and boldness in naval affairs, just in the same manner as the arts of land-carriage always reach their highest perfection among nations abounding in land and cattle, or cut off from the market by extensive deserts.* The want, and consequent dearth of land, then, by turning the attention of the Dutch to the pursuits of foreign commerce, and the improvement of their fisheries, encouraged their manufacturing and mercantile industry on the one hand; and trained, on the other, to that species of employment which is subservient to the intercourse of distant nations—the industry of the navigator. As they excelled all other nations in this branch of skill, they found new encouragement to cultivate it for a separate profession, subservient not only to the supply of their own wants, but to the use of other states, who wished to trade with their neighbours in articles either of rude, or of manufactured produce. The Dutch, too, excelled the people of
foreign

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foreign states much more in this species of industry than in any other. It became, therefore, their favourite profession. Instead of confining themselves to the exchange of their manufactures for the rude produce, or the manufactures of other nations, they circulated the produce and manufactures of other countries; and, attending much more to this occupation than to the arts of working up the produce which they imported or raised, they became a nation, not of farmers or manufacturers, but of fishermen, merchants, and sailors.

It was not only against want of territory, and the perpetual encroachments of the sea upon the little territory which they possessed, that the Dutch had to struggle. They were entirely destitute of those very conveniences which are most essential to the occupations of a seafaring life. Their soil produced not one of the articles required in shipbuilding, in the business of the fisheries, or in the arts of preserving fish and sea stores. Their harbours were few, and extremely bad; requiring, besides, constant attention and labour to preserve them from utter destruction.

The political circumstances of the United Provinces, were as perplexing during the first ages of their independence, as those of any political community that ever existed. While they were laying the foundations of their na-

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val power, and watching over the safety and increase of their commerce, they had to support a civil war, of unequalled length, against the most powerful monarchy in Europe, of which they formed an appendage. The influence of their Spanish masters was exerted, not only to crush them, by the help of the finest army in the world, and all the wealth of the Indies; but to exclude them from connexions with other nations, their best customers and providers. But these evils only concurred with the natural disadvantages of their situation, to draw forth new efforts of fortitude and perseverance. By those industrious and frugal habits which their manifold necessities tended to form at an early period, and by that steady and patient labour which is particularly requisite in all the occupations of the mariner and fisherman, this wonderful people not only soon outstripped all their contemporaries in riches and naval skill, but amassed a much greater share of wealth, and gained a more formidable influence over the destinies of the world, than so small a tribe ever acquired in any age.

The civil and religious liberty of the United Provinces has always been stated as the grand cause of their mercantile greatness. I am, however, inclined to view it only as a proximate cause; and without, in the slightest degree, detracting from the glory which the Dutch have
 univerfally

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universally acquired by their steady attachment to the principles of freedom and toleration, I am disposed to rank these among the many good effects that may be ascribed to the peculiar difficulties of their situation. The want of land, which rendered the Dutch, of necessity, a trading nation, gave them a more clear perception of their interests as a people of merchants; and rendered the promotion of those interests, at all times, the paramount consideration. Men whose subsistence depended on foreign supplies, knew that equivalents must be found to purchase these. The acquisition of skilful and industrious hands from other countries, was, for this purpose, of all things the most desirable; and the protection afforded to such ingenious and industrious foreigners, was amply repaid by the services which their exertions rendered to the community. To risk the loss of any of their natural subjects, would have been the height of madness. The statesman who proposed an intolerant or oppressive law, was sure to suffer for his folly, by the check which it must give to the labour that supported him and his family. The perception of such interests is by no means so clear in other states. In Holland, necessity constantly presented and enforced it. Thus, we find, that the influx of new subjects, and the prevention of emigration, was always

ways favoured by every liberal concession of rights and privileges to new-comers, and by all manner of tenderness to the persons, properties and liberties of every inhabitant, whether native or foreigner. Holland, indeed, was not in the situation of more favoured countries, who possessed natural advantages of climate, soil, and harbours, which rendered them independent of hard labour, and of which national avarice might covet the exclusive enjoyment. The life of the Dutchman, which he willingly participated with every stranger, was a life of indefatigable toil; a laborious existence, chequered with unremitting hardships and risks; a constant struggle against natural poverty; a perpetual conflict with the elements themselves, from whose fury not even their land afforded a shelter. Thus, we find, that foreigners and citizens were always put upon the same footing in every respect. The commercial advantages, such as they were, lay open to all who chose to settle, for however short a time, in the republic; the highest offices of the states, and of the federal union, were open to every burgher; and the freedom of Amsterdam itself could be purchased by men of all religions and nations, for a sum not exceeding fifty florins.

The same natural want of subsistence, and consequent dependence upon foreign states, rendered

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dered the government and people of the United Provinces much more averse to engage in the quarrels of the Continent, than any other nation in the world. A state of warfare, which only diminished the opulence of other countries, might cut off the supplies on which the Dutch depended for subsistence. They could not afford to be nice about points of honour and metaphysical disputes, which must be settled or supported at the risk of a famine. When forced into a war, they could not fail to abate much of that squeamishness of principle, and irritability of temper, which regulates the conduct of nations placed in easier circumstances: and, whenever they saw their neighbours in difficulties, they clearly perceived how much it was their interest, by cautious conduct, to preserve a strict neutrality, and to profit by all the disasters in which a state of warfare was involving other countries. That this conduct, no less liberal than prudent, has produced its full effect, and been rewarded by the success which it deserved, no one can entertain a doubt, who attends at all to the history of the United Provinces. To enumerate all the benefits which they have derived from the disputes and calamities of their less politic neighbours, would be to write the history of the greater part of modern European wars. But
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the beneficial effects of the enlightened system of civil and religious toleration, uniformly adopted by them, are no less striking. Every European persecution, arising from the zeal of those ghostly counsellors who have so often carried the bigotted spirit of the cloister into the cabinets of princes; every tyrannical abuse of civil power, which the ambition or avarice of statesmen has produced; every revolution in affairs, arising from the contentions of factious men, or the violence of popular tumult, or the success of foreign invasion, has poured into the asylum afforded by the United Provinces to all emigrants, large bodies of wealthy capitalists, or of skilful and industrious mechanics. Gratitude to their new protectors; habits and attachments formed during their exile; and the certainty of security in their new home, have almost universally retained those men in the territories of the republic, even after the oppression or confusion was terminated which had driven them from their native country. ‘ On ne connoit ’ (says the accurate and philosophical author of *La Richesse de la Hollande*) ‘ aucune ‘ branche de l’industrie Européenne, que l’
 ‘ esprit de persecution n’ait fait passer en Hol-
 ‘ lande, ou que la liberté n’y ait attirée dans
 ‘ ces temps où la Hollande étoit regardée
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‘ comme un asyle assuré contre la tyrannie et ‘ l’oppression.’ * The Monarchs of the house of Brandenburg have, during the eighteenth century, endeavoured to raise the commercial importance of their dominions, by following the example of their republican neighbours. They have invited, by premiums of various sorts, the oppressed subjects of other states to take refuge in the Prussian territories. A few of the poorest of those unfortunate persons, chiefly the peasantry, have at different times resorted thither. † The more wealthy and skilful of their number have always preferred Holland; and the very encouragements held out by Prussia, demonstrate the superiority of those natural inducements presented by the United Provinces, in the mild form of their government, the general freedom of trade, and the uniform predilection of their rulers for the peaceful pursuits of commerce. It may farther be remarked, that emigrants to the territories of the United Provinces, are never known to return home; whereas, many of those who have at different times taken refuge in Prussia and other States, have returned, after the troubles that drove them away were at an end. ‡

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* Tom. i. p. 73.

† Hertberg, Memoires, tom. i. p. 256.

‡ Mirabeau, Monarchie Prussienne, tom. i. p. 20. 4to ed.

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The liberal and enlightened policy of the Dutch, important as its effects have been upon their commercial prosperity, has evidently been the result of the natural situation and necessities of the community, which, from the earliest times, turned the habits of the people to the pursuits of a mercantile and seafaring life. Their conflict with the Spanish Monarchy, originating, indeed, in the same peculiarity of habits, had the effect of rooting still more deeply their aversion to all restraint and intolerance, and of rendering them certainly too jealous of that executive power which is absolutely necessary in every government. From all those circumstances, thus united together, has resulted the unparalleled prosperity of the Dutch people; an accumulation of more inhabitants in the same space than is known in any other part of Europe—of more industry in the same bulk of population than was ever found in any other country—and of far more wealth in the hands of the nation, than was ever possessed elsewhere by the same number of men.

As far back as the expedition of Julius Cæsar to the North, the Batavians were remarkable for their industry and their skill in trade and maritime affairs. Even at that early period, when the manufacturing and commercial industry of every nation bore so small a proportion to the labour bestowed on the cultivation of

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land and feeding of cattle, and when we should not expect to find any such national subdivision of employment; it is certain that the Dutch were noted for the extent of the trade which they carried on between foreign nations, and were in some measure, what they afterwards became almost entirely, the carriers of Europe. When the progress of commercial industry, and the consequent advancement of agricultural improvement, was accelerated by the encouragements given to the towns towards the end of the dark ages, the assistance of such skilful navigators and traders as the Dutch and Flemings became still more essential to the other states of Europe; and the progress of opulence was greatly hastened in the Low countries. In many parts of the Continent, the Dutch enjoyed exclusive privileges of trade: in all, they were favourably received. As no nation was jealous of a people devoted to commerce and peaceful industry, and scarcely possessing a small and unfruitful territory; almost every power allowed them the benefit of favourable treaties of commerce and navigation. The middle of the seventeenth century was the period of the greatest splendour to which the Dutch attained: and they had at this æra acquired, by their opulence, such a predominating political influence in the affairs of Europe, as excited the jealousy of the other

ther powers. Their capital was so large, that they could afford to trade on the smallest profits. They could support the heaviest burdens, and oppose the most powerful foreign states. They paid with ease, in one year, an extraordinary contribution of nearly four millions Sterling, besides the annual revenue of nearly two millions; kept up an army of sixty thousand mercenaries, and sent to sea a fleet of one hundred sail.* Even after the jealousy of rival nations, more particularly of England, had, by various arrangements of domestic policy, and by measures of open hostility, greatly diminished the wealth of the United Provinces; they still retained the first place among the trading nations of Europe. The two maritime provinces alone had more shipping than all the rest of Europe together, without possessing a single commodity fit for traffic, except milk and earthen ware. The highest profits of their trade were three in the hundred; the ordinary revenue of the state was two millions Sterling; the peace establishment, both of land and sea forces, was powerful and expensive. †

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* Temple's Observations on the United Netherlands, cap. vi. Works, i. 143.

† The Dutch army was composed of 26,200 men, and the navy of between thirty and forty ships of war. The expence of this force was 1,200,000l. Sterling *per annum*.—Temple's Observations, cap. v. vi. and vii. Works, i. 118, 138, 142.

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The necessary consequence of increasing population, while the territories and the commerce of the country remain the same, is, that the means of subsistence will become more scanty ; the augmentation of numbers will be rendered slower ; and the comforts of all classes will be abridged.

The necessary consequence of extensive opulence, acquired by a people who have not a proportionably great territory, is, that the means of advantageously employing this capital will become more and more difficult ; the profits of its employment more confined, and its accumulation more slow. While the increased population renders the extension of cultivation and of commerce more essentially requisite ; the accumulation of capital renders the proportion of those advantages which falls to the share of each individual more trifling, and increases the difficulty of procuring either profits or employment. The competition of stocks diminishes the profits : and, although high wages are one cause of small profits, yet, if the competition of capitals diminishes the profit, the wages must fall with the profits, and not rise with the extent of capital. The high price of labour in Holland, has indeed been stated by all political writers as the grand cause of the declining opulence of the Republic. But this is only an apparent rate of wages, occasioned by

by the severity of the taxes. The workman actually enjoys less than in any other free state, although he nominally receives more. S E C T.
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When a nation has reached the situation that I have now described, and has cultivated its territories, improved its manufactures, and extended its commerce to the uttermost, some new opening must evidently be found, either by augmenting its territory, or by acquiring territory in a distant quarter of the globe. If such an opportunity is not found of employing the capital of the state, of drawing off the larger capitals to a distant traffic or employment of any kind, and making way, in the nearer markets, for the smaller stocks that are daily accumulated; the overflowing wealth of the nation must infallibly emigrate, as it were, into the service of foreign countries, where the profits are greater than at home. Any opening by foreign conquest; the acquisition of new territory; the settlement of distant colonies; the sudden improvement of any art, or the discovery of a new branch of industry and skill, will be speedily seized, and will quickly receive as much capital as it can employ with the usual profits. Through the whole history of the United Provinces, we perceive the constant effects of the extreme wealth and low profits of Dutch merchants; the unceasing ef-

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forts of the heaped-up capital to make an opening for itself, by flowing into channels that lead to competent profits. Every sort of speculation has been tried with eagerness—in manufacture and trade; in foreign and domestic commerce; in colonial purchases, loans and traffic; in the trade and manufactures of foreign states; in loans to foreign governments and merchants; in mere gambling and stock-jobbing.

The Venetians having acquired vast wealth, by the monopoly of the Eastern commerce, were deprived of the means of profitably employing it, by the discovery of the Cape passage to India. Their territories being extremely confined, and other nations getting the start of them in the science of navigation, they had only one means of investing the money which they had heaped together; they lent it to foreign countries for a premium, and became, as it were, the brokers of Europe. Had they been possessed of colonies, it would have been employed there in raising or circulating the produce of their own land, and supporting the industry of their own subjects.

When the Dutch had acquired immense wealth, by engrossing the carrying trade of Europe, the progress of naval skill, and the accumulation of stock in other nations, deprived

prived them of a great part of this employment, and forced their overgrown capital into various speculations in the most remote branches of foreign trade; in loans to foreign governments; and to individuals in foreign countries. All political writers agree in representing the sums lent by the Dutch to foreign states and their subjects, as enormous; although, as might be expected, they differ in their accounts of the precise amount. M. Demeunier, in his elaborate system of Political Economy, (a work, at least as remarkable for the minuteness of the detail as the extent of the general views), states the amount of the capital lent by the Dutch to foreign governments alone, without reckoning the large sums lent to France since the year 1777, at seventy-three millions Sterling, so late as the year 1780, when the surplus capital of the Dutch was certainly less than it had formerly been.* The well-informed author of *La Richesse de la Hollande* estimates the same capital at a milliard and a half; † but he afterwards reckons the sum lent to France and England alone at a milliard and a half of livres tournois: ‡ so that
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* Econ. Pol. (in Encyc. Method.) tom. iii. p. 720.

† Tom. i. p. 367.

‡ Tom. ii. p. 236. & 292.

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it is probable he reckoned the first mentioned sum in florins, of which a milliard and a half would be about one hundred and thirty-five millions Sterling. The Abbé Raynal states this sum at sixteen hundred millions livres tournois, or sixty-six millions and a half Sterling; * quoting, most probably, from some author who stated the fact in the same manner with the last mentioned passage of ‘*La Richesse* :’ for, in making what he is pleased to call his Philosophical History, the Abbé was by no means a curious observer of facts. At any rate, we may infer, that the sums vested in loans to foreign governments are enormous. Besides, great sums are lent to private individuals of foreign countries, both regularly in loans at interest, and in the form of goods : for the long credit on open accounts given by wealthy traders, is in fact a bribe for their custom ; and the obtaining this custom at the ordinary rate of profits, is actually a premium which the capitalist is willing to take for the use of his stock. All the money thus vested, is independent of the first sums lent to the governments of the different states, and to that of the federacy ; indeed, we may say, to that of each town and community : for all the towns have separate debts, besides contributing to the interest of the common burthens. Raynal states

* Hist. Phil. & Pol. &c. tom. iv. p. 278.

states the whole debt at two milliards ; * and the author of the treatise on Finance (Encyc. Meth.) estimates it at two milliards one hundred millions livres tournois, or eighty-seven millions five hundred thousand pounds Sterling, in the year 1785. † The particular debt of the province of Holland, in 1748, was one hundred and forty millions florins, or above twelve millions and a half Sterling. It is probable, that the whole national debts cannot be estimated at less than the sums lent to foreign governments. No foreigners have ever had any property in the Dutch funds. So eager have the natives always been to place their money there, for the sake of an interest higher than the ordinary profits of trade, that a share in any loan has always been received as a most valuable benefit, and the payment of any part of the principal uniformly dreaded as a certain loss. ‘ They receive it,’ says Temple, ‘ with tears, not knowing how to dispose of it to interest with such safety and ease.’ ‡

It is probable that the Dutch have frequently been creditors, at one time, to the amount of greatly above three hundred millions Sterling

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* Hist. Phil. & Pol. tom. iv.

† Finances, tom. i. p. 486.

‡ Temple's works, I, 142.

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ling to their own government, and to foreign states, of which we may reckon two thirds in foreign loan:—An immense sum of surplus capital to have been accumulated by a nation possessed of no greater territory than the principality of Wales, without any good harbours, or any natural produce fit for exportation; a territory, one hundred and twenty times less extensive than the European dominions of Russia, which is constantly running in debt with all the world!

Skilful as the Dutch have always been in trade, and enlightened as their policy has in general been, with respect to matters of government, they have at times departed from the usual spirit of their regulations in commercial affairs. While their jealousy of the Ostend East India Company made them raise an outcry which proved fatal to that association, they prohibited, under high penalties, all the natives of the United Provinces from purchasing its stock; and, at different periods, they have prohibited all loans to foreign nations. But those laws were very harmless; and did not, in all likelihood, prevent a thousand florins from being embarked in foreign loans. How, in fact, could any restriction be devised, sufficiently powerful to prevent a Dutchman from making six *per cent.*, by simply lending his capital to Great Britain, on the security of her whole

whole trade ; while, by his utmost labour, toil, and risk at home, he could not clear above half as much? Those foreign loans have, in fact, proved the best resource of the Dutch in their adversity.

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A people possessed of such an overflowing capital, was, of all others, the very one that stood most in need of foreign colonies ; and this for two reasons—in order to obtain a new opening, of whatever kind, for the stock which could not be employed at home, or which, for want of this employment, was drawn, as we have seen, into the service of foreigners—and in order to secure the possession of this opening at all times under its own command.

Had the colonies of the Dutch always been as extensive as they were during the first half of the seventeenth century, little of the national capital would have found its way to foreign countries ; and the opulence of the United Provinces would now have been incalculably great. The loss of the Brazils forced a great portion of their stock into foreign loans ; and not a little of this was drawn to the cultivation of foreign colonies. The English and French colonies were much indebted to the wealthy merchants of Holland, at their first establishments ; and the Danish colonies owed their foundation entirely to Dutch capital.

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capital.* Those foreign colonies, and their mother countries, afforded, indeed, an opening for capital; but it was neither the opening most advantageous for the state, nor most securely established for the stockholders.

It was certainly less advantageous to the state, than the colonial cultivation or commerce would have been; because the profits only of the capital thus invested, were returned, to put in motion Dutch industry; because the political circumstances of the country, and its trifling extent of European territory, rendered an extension of dominion, in whatever part of the globe, highly advantageous, on account of its relations towards the other powers in Europe, possessed of American territories; and because no nation stood so much in need, as Holland, of the various other political advantages, which we have formerly shown † to result from the possession of distant provinces.

It was an opening for capital, too, much less securely established, and much more liable to be abridged and endangered, than any employment of stock could have been, either in the agriculture or the trade of the Dutch colonies. And, here, I am not merely talking of those

* La Rich. de la Hol. II. 437.

† Sect. I.

those temporary dangers which arise to the capital of a state employed in foreign service, from the intervention of hostilities, or of political confusion; I allude to the constant and necessary progress of foreign nations, as dangerous to the commercial prosperity of Holland, from the circumstances of her situation in Europe.

It is now the universally received opinion among all men of enlightened political views, that the interests of trading nations are mutual; and that the celebrated prayer of Mr Hume,* for the prosperity of Spain, Italy, Germany, and even France herself, as subservient to the prosperity of Great Britain, ought to be adopted by every true patriot. It must, however, be remembered, that Mr Hume expressly mentions the case of the Dutch, as an exception which may occur to his rule; though one which he seems to think too far distant, to be much dreaded by any country, in the actual state of affairs.

It is nevertheless certain, that the Dutch have actually reached this period of their progress long ago; and that this very circumstance has, for many years, been regularly and constantly working the downfall of their commerce. It is indeed true, as Mr Hume re-
marks,

* Essay VI. On the Jealousy of Trade.

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marks, that a nation need never dread another's interference with its staple; because a staple manufacture presupposes some natural advantages peculiar to one people, for raising or working up a particular sort of produce; and because the demand for this produce may be enlarged by the growth of other nations, whose staples may all the while be interfering with it in some respects. But the staple of Holland is of a kind not peculiar to one country: it belongs to one state of society in every country: it is extent of capital and mercantile skill. While the other nations of Europe were ignorant of trade and navigation, they found it more profitable to employ the Dutch ships, than to build vessels of their own. While their capital was low, they could not afford to engage in many branches of trade, without loans from the more wealthy Hollanders; or to engage, themselves, in the trade of insurance. Their wealth consisted in land, which they cultivated, to pay the Dutch for the use of their money and ships. But, in the course of time, their own population increased, their wealth augmented, and their naval skill was also improved. As the cultivation of the land has in no country ever been carried to its utmost improvement, had things been left to themselves, all nations might, for a time, have found

found it more profitable to till the ground as before, and continue to employ the Dutch failors, and a little of the Dutch capital. Part of the Dutch capital, however, would still have been thrown out of employment, and must have been encroached on, or dissipated, for the support of the proprietors, unless the colonies of the foreign countries had extended the opening, and kept up the demand for it: in which case, it would have remained in this channel, until a sufficient accumulation of foreign stocks again excluded it, and threw it back upon the hands of the Dutch proprietors. Indeed, it is probable, that, in all countries, the formation of a mercantile navy would have taken place, independently of those positive institutions, which have perhaps only hastened it by a few years in each. Navigation acts cannot create failors, and ships, and traders; they can only encourage their production, and hasten their appearance in a state otherwise about to produce them. We have already seen, how all nations, at a certain period of their progress, naturally divide their industry and stock into various parts, suited to different channels; and we may be assured, that the tastes and caprices of individuals have only been somewhat aided by restrictive and encouraging regulations, in leading men of all nations to an employment

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ployment of their labour and capital, often not the most beneficial to the community, and not always the most profitable to the individual. * It is not easy to see, why those tastes and caprices should not be reckoned natural parts of the human character, and circumstances to be considered in political calculations, as much as the desire of bettering our conditions, the care of our offspring, the jealousy of rivals, or any other of the principles, which are the foundation of all speculations in the science of political œconomy. Long before all the land in any state was cultivated, or the cultivated part made to yield as much as good husbandry could extract from it, there can be no doubt, that the influence of those principles would have led men to employ their industry and stock in foreign commerce. The example of the Dutch or Venetians, or whoever else had hitherto been employed as carriers, brokers, and merchants, would always seduce abundance of hands, and of capital, from agriculture, as soon as hands and capitals were sufficiently numerous; and the policy of modern Europe, influenced partly by absurd jealousy of those common carriers, brokers, and merchants—partly by more solid views of the necessity, under which a maritime country lies, of acquiring the

* Sect. II. - Introd.

the sort of industry that forms the basis of a navy—has only somewhat anticipated an event, which must soon have happened in the natural course of human affairs.

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As the Dutch, then, possessed no natural advantages for the protection of commerce—as their sea coast was more dangerous, their harbours fewer and more incommodious, their produce less various, valuable, and abundant, than those of any other maritime people in Europe; it is manifest, that the great extent of their capital, and their naval superiority, could only secure them a temporary advantage in the commercial intercourse of nations. Although no jealousy, or impolitic views of rivalry, had ever induced the violent measures of legislation and hostility, that were pursued against the interests of the United Provinces in the latter part of the seventeenth century; it is evident, that the fall of their commerce was slowly preparing, by the increased prosperity of their employers and customers. No such national subdivision of labour and capital, as that which gave Holland the carrying and brokerage trade of Europe, would have subsisted, after the necessity had ceased, to which this division owed its origin. The division would indeed have continued in each nation; and the employment formerly given to Dutch capital and seamen

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would now have supported the stockholders and sailors of the different countries which required the assistance of their money and labour. The land of the different countries of Europe (of France and England, for example) was formerly cultivated, partly to support French and English husbandmen and manufacturers—partly to support a class of merchants, brokers, and sailors in Holland. The natural increase of French and English capital, and the consequent introduction of mercantile and seafaring pursuits, accelerated by certain positive regulations of the two governments, have withdrawn that support from the Dutch stockholders and mariners formerly employed; and the land of those two countries is now cultivated, in order to support Frenchmen and Englishmen alone. If other openings had not been found for the capital and industry of the Dutch, formerly employed by England and France, and supported by their harvests; that capital could no longer be employed at all, and that labour would cease to find support. The money would be dissipated, the men would emigrate, the capital of Holland would be diminished, and her population would not be reproduced; or the former would only be accumulated, in order to be dissipated; and the latter would only be reproduced, in order to emigrate.

emigrate. In a word, that singular state of things would be at an end—in consequence of which, part of the natural inhabitants of France and England were formerly settled in Holland; and those inhabitants would now be transferred to the countries which supported and employed them.

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That this decline of the Dutch commerce has actually been coming on for near a century and a half, there can be no manner of doubt. The nations of Europe have been recalling that part of their natural wealth and population, which they had formerly allowed to reside in Holland; and the same circumstances of natural situation—the same want of land, which formerly gave rise to the splendour of the Republic, has, for some ages, been operating its downfall, and will unquestionably reduce its overgrown bulk, to that size for which the mediocrity of its resources have adapted its strength.

A few particulars will illustrate the fatal effects of the increased opulence of other nations, (formed for greater wealth and power, by the possession of land), upon the commerce, and, in general, upon the resources of Holland. The value of the goods exported from France, in Dutch bottoms, in the year 1658, was above forty-three millions. The tonnage duty,

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duty, imposed by Louis XIV. (in imitation of the English navigation act), deprived the Dutch of almost all this carriage. The commerce of England with the Low countries, in 1562, was valued at twenty-four millions of livres tournois *per annum*, almost entirely carried on in Dutch and Flemish vessels; and, at the æra of the navigation act (a century after), it was prodigiously increased. It is needless to add, that this branch of the Dutch trade, likewise, was lopped off in the latter half of the seventeenth century.

By the statement laid before their High Mightinesses, in 1771, (usually called the Prince of Orange's propositions), it appears that, of the West India produce exported from Nantz, the great French colony emporium, one fourth only went to Holland, and three fourths to Hamburgh: whereas, formerly, three fourths had gone to Holland, and one fourth to Hamburgh. The fisheries, from time immemorial, have supplied the Dutch with that rude produce, which their want of soil denied them. But not even those fisheries are properly their own. And, the moment that other nations, particularly Great Britain, began to claim their profits, the Dutch fisheries began to decay. The number of herring buffes, fitted out annually from the Provinces,

vinces, was formerly from 1500 to 1800; in 1764, it had fallen to 150; and in 1788, it was 200 at an average.* The average number of vessels returning from the Greenland fishery, during the years from 1670 to 1700, was a little more than 139; from 1700 to 1730, it had risen to 145; and from 1749 to 1779, it had fallen to 120. The average number of vessels returning from the Davis's Straits fishery, from 1719 to 1739, was 89; from 1759 to 1779, it was only 35. † A falling off in the whole whale fishery of nearly one third; ‡ merely from the effects of competition, and the loss of the carrying trade; for no nation could seize upon a preferable share of this, as England did of the herring fishery. The New-Englanders have, in like manner, from the advantages of their situation, carried off a great part of the Northern cod fishery.

During the same period, the whole trade with the north of Europe, the most profitable and convenient of any that the Dutch enjoyed, had fallen off nearly one half. § And the Me-

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diterranean

* Econ. Pol. & Dip. (Encyc. Method.) III. 709.—
La Richeffe de la Hollande, II. 54.

† Commerce, (Encyc. Method.) II. 552.

‡ The author of *La Richeffe de la Hollande* states the falling off at two fifths, II. 56.

§ *La Richeffe de la Hollande*, II. 57.

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diterranean trade, which was as it were the other wing of the Baltic trade, must have decayed in proportion. Besides, the interior carrying trade of the Mediterranean has likewise been greatly diminished. It consisted chiefly in carrying West Indian produce from Marseilles to the Levant, a commerce now almost entirely occupied by the French themselves. In a word, the persons best acquainted with the Dutch commerce have asserted (and there is no reason whatever to doubt the truth of their opinion), that no branch of it has retained its former vigour, except the American and African trade, and that of the Rhine and the Maese, which are all independent of foreign power and competition. The other branches have been constantly and rapidly decaying.*

Nor will it be sufficient to say, that the capital and industry, forced out of all those branches of commerce, have found an opening elsewhere. We know that, during the latter part of the last century, the Dutch stock had filled every crevice of the market, where it could find admittance: for the profits were as low as possible; and the loans upon low interest, were extensive and easily made. Sir
William

* La Richeffe de la Hollande, II. 349.—Econ. Pol. (Encyc. Method.) III. 709.

William Temple was informed, when in Holland (1669-70), that almost all the foreign trades of the Dutch were losing ones, except the Indian; and that none gave a profit of above two or three *per cent.** The rent of land was then never higher than two *per cent.*, and was deemed the least gainful employment of stock.† A division of trade had taken place; perhaps the last refinement of a flourishing commercial people. Each town applied almost exclusively to one branch; as, Middleburg to the wine trade, Flushing to the West Indian trade, &c.‡ Every article was taxed up to the highest; and one fish sauce was in common use, which directly paid no less than thirty different duties of excise.§

All these are sure symptoms of an overflowing capital, which, if thrown out of one trade, cannot possibly find employment in any other. If we look to the forces and population of the United Provinces, we shall find a corresponding decline. John De Wit (1669) computes the number of inhabitants, fed by the fisheries, and the trades connected with them, at 450,000, in Holland and West Friezeland.¶ The whole

* Observations, VI.—Works, I. 138.

† Ibid. I. 92.

‡ Ibid. I. 128.

§ Ibid. I. 140.

¶ Interest of Holland, Part I. c. 9.

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whole of this class, in the Seven Provinces, in 1788, was reduced to 80,000. * John De Wit gives 2,400,000, as the whole population of Holland and West Friezeland; † in 1778, 2,000,000 was reckoned the whole population of the Seven Provinces; ‡ and in 1790, it was estimated at about 2,750,000, including the county of Drenthe, and the lands of the Generality, which contain half a million of inhabitants. §

The army of the Republic, which, in former times, consisted of 60,000 men, was, in 1784, only 37,000 strong; || and since that time, it fell still lower. And the navy, from 100 sail had been diminished, in 1781, to 69. ¶

We see, then, that from the peculiar circumstances of Holland, there is not a sufficient security for the continuance of its mercantile prosperity and political importance in the commerce which it has for some centuries carried on in Europe. The opening which the vast capital

* Econ. Pol. & Dip. (Encyc. Method.) III. 709.

† Interest of Holland, I. 9.

‡ La Richeffe de la Hollande, II. 349.

§ Bœtticher's Statistical Tables, No. VII.

|| Temple, I. 143.—Econ. Pol. & Dip. (Encyc. Method.) III. 720.

¶ Ibid.

capital of the Dutch has found in this quarter of the world, is insecure, and must be closed, in the natural course of things, by the ordinary progress of improvement in other nations. The Republic, which does not raise two months subsistence for itself, must then be gradually reduced to a trifling province, and be swallowed up by any ambitious neighbour, whose territories may be incalculably improved by the acquisition of sea coast, and of a race of men eminently fitted for the pursuits of commerce and navigation.

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The acquisition of colonial possessions is the only means by which the United Provinces can possibly avoid such a catastrophe, and supply their natural deficiency of territory, the cause of their instability, as it was the cause of their rise and progress. An opening for capital may thus be obtained always under the command of the state. For ages, the interests of the new settlements must be so closely connected with those of the mother country, that no separation can possibly happen. The habits of connexion or of dependence will then be firmly rooted, and the resources of the European branch of the empire so much exalted by the mutual benefits of their union, that the connexion may be preserved long after it has ceased to be necessary for the colony. Even after
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the growth of the distant settlements shall make the scale preponderate to their side, the seat of empire may be transferred across the Atlantic, if the jealousy of rulers, and the factious spirit of demagogues, shall not interfere with those plain views of mutual interests, which the different branches of an empire of traders are likely always to entertain. In the mean time, besides enabling the Dutch to command a large share of European commerce, to obtain, for example, grain and iron from the Baltic, in exchange for West Indian produce; the commerce between those parts of the state, the distant and the contiguous, will be infinitely more advantageous than any which the provinces could possibly carry on in Europe, even although they could retain their former share of this European trade. For, the highest commercial prosperity of a country like Holland, whose territory is on the sea, consists in circulating the commodities of the nations possessing land; and the profits only of this carrying trade are brought home to support domestic industry. But the colony trade is, in fact, as we have * formerly shown, a home trade; so that the capital driven or drawn thither from the carrying trade, exchanges the least advantageous

* Sect. 2. Part 1.

tageous for the most advantageous line of employment. But even if we should consider the colony trade only a foreign trade of consumption, it would still be infinitely more advantageous than the carrying trade, to which, if deprived of colonies, the trading capital of the Dutch must of necessity be confined.

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The possession of colonies, then, must be as advantageous to the community of the United Provinces, as agreeable to individual capitalists and adventurers. It has certainly preserved the commercial existence of the Republic for a length of years, and enabled this ancient state to retain its place among the great powers of Europe, instead of being swallowed up by its neighbours, or reduced to a few fishing villages. No nation of Europe depends so much upon colonial policy as Holland. None is so liable to be affected, in every member, by the slightest variation of colonial affairs. At all periods of the Dutch history, then, we may believe that the colonies have excited constant attention; and we shall now take a view of the different relations which have at various times subsisted between the mother country and her distant provinces. We shall begin with the policy of the Dutch towards their East Indian colonies.

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I. It may often happen in a commercial state, that a few large capitals only are for some time acquired; and the proprietors of them naturally look for those distant employments, which slowly return large profits. If an open market can be found already established and tolerably well frequented, the large capitals will naturally be attracted by it as they are accumulated. But if all the markets of this kind are shut up by the monopolizing policy of other nations, then a new channel must be sought for, and a market not formerly frequented, and, of course not regularly supplied, must be resorted to. The irregular supply must render such adventures extremely dangerous, and cannot fail, in the end, to make them ruinous, from the certainty of very great delay in the returns, and the chance of making repeated voyages, without any returns at all. If the number of the large capitals were sufficiently great, this inconvenience would be immediately remedied; for some of these would be drawn permanently to the operations of this market, and employed exclusively in the tasks of collecting and assorting cargoes, which the other capitals might circulate and transport. Hence the establishment of factories in distant countries, the nations of which are little occupied by trade. But before a sufficient number
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of capitals have been turned into this trade, such a division of stocks can never take place ; and the larger capitals, for want of it, cannot safely and profitably be employed in this way, any more than a few men would find their advantage in applying themselves exclusively to particular branches of employments that require a co-operation of many hands—to the manufacture of watch-cases, for example, before any watchmaker had appeared.

The establishment of such factories has been the primary object of all trading companies with joint stocks. The necessary effect of their institution has been, to draw more capital to the distant trade than would otherwise have gone thither, in order to open a channel for those which would have gone, somewhat sooner than the same channel would have been opened in the natural course of things. And another consequence of the commercial settlements, scarcely less necessary, has always been, the acquisition of territorial power ; the conquest of part of the distant country ; the change of the trading company into a political body. When the inattention natural to great bodies engaged in a rich trade, and joining the character of governors to that of merchants, had reduced their affairs to an unprosperous condition (as generally happened in a short time) by their influence with the government, their splendid promises

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mises of pecuniary assistance, and the temptation of a little money paid down, they have generally succeeded in saving themselves from ruin, by obtaining exclusive privileges. Thus, the institution of the company, at first, drew to the distant trade more capital than would naturally have gone thither, in order to benefit a small class of stockholders. The addition of the monopoly kept out capitals that would have gone thither, in order to preserve the existence of the company: and the acquisition of political power was often prejudicial to the mother country; generally ruinous to the association itself; and always fatal to the distant provinces over which its dominion was suffered to extend.

Such has been exactly the history of the Dutch East India Company. When a few Dutch merchants, in the sixteenth century, availed themselves of the Portuguese discoveries, and followed the new route to the rich market of Asia; the chance of extraordinary profits, tempted them to run the risk of returning without any cargo. But this risk was soon found to be very great; and when the danger was realized, the ruin of the adventurer, who had embarked his whole stock in the speculation, was the almost inevitable consequence. Besides, the vessels were exposed to the

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the jealousy and cruelties of the Spanish and Portuguese, at that time the most powerful of all the nations who frequented the distant seas. To form a fund which might provide, both for the protection of the East India trade, and for the collection and assortment of cargoes at all times in the Indian markets, a number of merchants associated, publicly agreed to act in concert against the common enemy, and tacitly resolved to act against the rest of their fellow citizens. They obtained a charter of incorporation from the States-General; and prevailed upon that body, by administering to its pressing exigencies in the Spanish war, to grant them the exclusive privilege of trading to the southern parts of Asia, for a short term of years. It is probable that this monopoly did not at first keep out any trader from that rich commerce, who would otherwise have embarked in it. On the contrary, it certainly drew many capitals into it, which would otherwise have been employed in the carrying trade of Europe. For the Company's capital of 6,500,000 * florins, was divided into transferable shares, or *actions*, † of 3000 ‡ florins each,

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* About 541,833l. Sterling.

† This is a term common over all the Continent, and is derived from the *action at law*, of which the possession of a share may be made the foundation.

‡ About 250l. Sterling.

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which were all speedily bought up. But the whole capitalists, engaged in this trade being associated, and acting in concert with the same interests, they fixed the prices of their merchandise to all consumers, at the highest which those consumers could afford to pay. The superiority of their trading capital, too, with their greater skill in commerce and navigation, enabled them to undersell all other nations, even in the foreign markets of Europe. For some years, the profits made by this concern were enormous; the greatest, perhaps, ever yielded in any trade, except that of the Spaniards in South America. The annual dividends for the six years ending 1610, were as high as thirty-six *per cent.*; besides the various political advantages that attended the possession of the Company's stock. As the ordinary profits of stock were certainly not above one fifth of this, including the wages of the trader's labour, it is easy to perceive how high the price of the shares must soon have risen. In a short time, the actions rose from 3,000 to 15,000, and at one time they stood as high as 24,000 florins, eight times the amount of their prime cost.*

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* La Richesse de la Hollande, I. 154.—Commerce, (Encyc. Method.) II. 535.—Dictionnaire de l'Homme d'Etat, par Robinet, XXVII. 117.—Econ. Pol. & Dip. (Encyc. Method.) III. 769.

The charter, first granted to the Company in 1602, and since renewed from time to time, conferred upon them, besides the exclusive right of trading to the East, the sovereignty (under superintendance of the States-General) of all the territories which they might acquire in that part of the world, by purchase, treaty, or conquest, with the full power of appointing their own servants; of raising whatever force they might deem necessary for the defence of their territories; and of making whatever laws they might think proper for the internal administration of their dominions. In consequence of this charter, the most extensive that ever was granted to any trading corporation, the Company proceeded to arrange their establishment, both in Europe and the East Indies. The great commercial cities of the republic, interested in the joint stock, named each of them a certain number of the sixty directors, to whom the Company's affairs were committed in the first instance. Seventeen of these were entrusted with the ordinary management of the common concern, and received good salaries, besides the patronage annexed to their places.

Whenever any settlement was added to the Company's dominions, the government of it was placed in the hands of a captain-general, who commanded the forces, and presided in

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the council ; a director-general, entrusted with the management of the Company's stock, and the superintendance of their commercial interests ; a major-general, the second in council ; and five select councillors. The union of these eight officers formed the grand council, invested with full deliberative and executive powers in all matters of government, war, negotiation, and trade. The dangers to which the Company were exposed, from their ambition, and their jealous policy, rendered a great military establishment necessary in those distant settlements. So early as the year 1616, they had no less than forty-five large vessels engaged in war and trade, with 10,000 soldiers and sailors in their service, and 4,000 pieces of artillery. *

This flourishing state of affairs was of short duration. The directors in Europe, and the Company's servants in the settlements, were careless about the management of affairs, in which they had only a small share. The great and rich proprietors of stock alone were much concerned ; but they divided their anxiety with thousands, and the interests of the Company were attended to by none. The office bearers in Europe were only anxious for patronage and gain

* La Richeffe de la Hollande, I. 155, 175, & 485.—Commerce, (Encyc. Method.) II. 539.—Econ. Pol. & Dip. (Encyc. Method.) II. 542.

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gain by their places : the servants in the colonies had often an interest directly the reverse of the Company's : they were tempted to settle for a while in exceedingly unwholesome climates, in order to make a fortune ; and the care of acquiring this as rapidly as possible engrossed all their attention. Where all were bent on the same object, mutual indulgence and connivance would be granted by every one. Any strict laws could only give the more powerful a pretext for oppressing the weaker, and for pillaging the Company and the natives, to the amount both of their own share, and that of their inferiors. Thus, the mismanagement and plunder of the Company's servants, and the disputes in which their cruelties, avarice, and imprudence involved them with the native powers during the seventeenth century, greatly reduced the trade, wealth, and power of the institution. To this may be added, the dissensions arising among the different chambers of the general direction, which had all a share in the superintendance of the concern, and, like the various parts of the great federal union—the provinces themselves—were continually at variance, by the jealousy of the rival towns, and the factious or intriguing spirit of the men that obtained an influence in the management. Meanwhile, the expence and magnitude of the military esta-

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blishment was increased. At the end of the eighteenth century, it amounted to eighty vessels, carrying from thirty to sixty guns, and twenty-five thousand men, foldiers included ; while the whole dominions in Java, and its dependencies, were farmed for 361,260 dollars. In the beginning of the seventeenth century, the establishment was only forty-five vessels, and ten thousand men. * The navigation of the Company appears to have been little better attended to. During the space of forty-nine years, above one hundred and fifty of their vessels were lost by shipwreck in the seas of Europe ; and the directors acknowledged, in 1780, that their loss in the war had exceeded ten millions of florins, nearly twice the amount of their original capital. The consequence of bad management, and losses of every kind, has been, a great diminution of stock. In 1751, the clear funds, including debts due to the Company, amounted to 62,480,000 florins. Of this, only 38,060,000 consisted of good debts and trading stock, the rest being made up either of desperate claims, or of capital vested in buildings, forts, &c. The whole revenue was only 7,480,000 florins ; out of which the expence of the European establishment had to be paid. Since this, with the exception

* Econ. Pol. & Dip. (Encyc. Method.) III. 769.—
 Dict. de Robinet, XXVII. 117.

ception of the declaration in 1780, a profound silence has been preserved on the Company's affairs, by all the office-bearers of the Company, who are strictly sworn to secrecy. A more compendious and convincing method of exhibiting the ruinous state of the concern, could not, it is probable, have been devised, if every document relating to the subject had been laid before the public.

As the Company's affairs declined, and the profits of the trade were diminished, the proprietors became more tenacious of their privileges, and more eager to have them extended. The cruelties exercised upon the English interlopers at Amboyna, are coupled with the bare mention of the Dutch settlements in the East. The measures taken to prevent a larger supply of Indian goods from being shipped for Europe, than the narrow market of the high bidders can consume, are equally well known, and scarcely less shameful. They made a constant practice of burning in the spice islands all the overplus of the spices, in order to prevent the contraband trade of the Dutch, or the interference of other nations. They entered into treaties with the native princes, to prevent the culture of more than a certain part of their lands. They appointed persons to make progresses round the islands in spring time, and destroy the greater part of the buds and blossoms, with which an

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indulgent climate and genial soil so richly adorns the aromatic groves of India. Laws have repeatedly been obtained from the States-General by the Company, to prevent the encouragement of the foreign East Indian trade, by loan or emigration. Some Dutch failors and merchants having entered into the service of the English, in their establishments on the Coromandel coast, during the first part of the seventeenth century, the States published an ordinance, prohibiting all the subjects of the republic from engaging in any foreign East Indian service, under pain of banishment, and confiscation of goods. In the eighteenth century, the Ostend East India Company excited the jealousy of the Dutch Company. In 1721, a law was passed by the States, prohibiting their subjects from sailing under the Ostend colours, upon pain of death. And, in 1731, this unfortunate association was dissolved, in consequence of representations from the different European States interested in the East Indian trade; among whom, Holland, that is, the Dutch Company, took the lead.

The measures taken to check the contraband trade of their own countrymen, have been no less severe. John De Wit gives us, in his invaluable work on the interest of Holland, a copy of the proclamation

proclamation issued annually by the government of Batavia, * (to which all the settlements are subordinate), for the regulation of all the Dutch subjects in those parts. Among other oppressive articles, it is thereby ordained, that no bullion or coin shall be imported by any person to Europe, from the colonies, on pain of forfeiture; that all claims on the Company shall be preferred to the boards in India, and determined by the Company's own servants, on pain of losing all right of action in the mother country; and that all household furniture carried between Europe and the settlements, shall pay, per advance, two thousand florins the last, or about ninety pounds Sterling per ton to the Company. †

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Notwithstanding the scarcity of employments for industry and capital in all parts of the Dutch dominions, the Company have always discouraged settlers and speculations in the most extensive, perhaps the most valuable, of the noble territories subject to their power—the Cape of Good Hope. They have, for

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* Part I. cap. 26.

† La Richeff. de la Hol. I. 175. 220.—De Wit, Int. of Hol. part I. c. 19.—Arnould, Systeme Mar. & Pol. p. 127.—Anderson's Hist. of Com. III. 128.—Commerce, (Encyc. Meth.) II. 543.—Econ. Pol. & Dip. (ibid.) III. 769. *et seq.*—Wadstrom on African Colonization, part I. p. 65.

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a long time past, refused to grant the lands of that vast tract of country in private property, and have prohibited the farmers from fixing their habitations at more than a mile's distance from each other, although many districts are so barren, that less than a square mile would not make a proper grazing farm. † Their sole object, the profitable trade from India, and the profitable traffic of necessaries to that quarter, is, it seems, much better accomplished by stunting, than by permitting the growth, either of the settlements themselves, or of the subsidiary colony at the Cape.

Thus, while the expences of the Company have been increasing; while their profits have been falling off; and the Indian trade has been declining every day: all possible means have been tried by the managers, assisted by the States-General, in order to prevent the rest of the Dutch capitalists from engaging in the traffic with those advantages which they certainly would have reaped from it. In the mean time, the shares of the Company, notwithstanding all those precautions so oppressive to the country, have continued to fall in value with increased rapidity.

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† Sparman's travels, vol. I.—Wadstrom, part I. p. 182. The last mentioned author says, '*within* a mile of each other;' but he adds the remark which follows, as I have stated in the text: and it proves that the first expression is wrong.

The Dutch capital and skill were daily driven from some part of the European carrying trade; yet no means were pursued to open a vent for it in the colonies, which were always under command, and yielded abundant supplies of the produce most in demand, most easily exchangeable in Europe, most calculated to give the traders who possessed them a command of the European markets.

The fall of the dividends, and the consequent diminution in the price of East India stock, will shew us how much the circumstances that we have mentioned, as operating the ruin of the country, have tended to injure the Company themselves, and how very little the evils arising both to the Dutch and to other nations, from the measures pursued with a view to save the Company, have in fact tended to the particular advantage even of that hurtful institution.

In the period from 1605 to 1779, the dividends have varied from seventy-five to ten *per cent.*; and in many years no dividend at all was issued. From 1605 to 1610 (both inclusive), the dividend was (as we have before stated) thirty-six *per cent.* at an average. From 1610 to 1648, the average was only twenty-one; and from 1771 to 1780, it was no more than twelve and a half *per cent.* The price of the actions, which had at first risen to five hundred,

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dred, and even eight hundred *per cent.* of the prime cost, fell, in the period from 1770 to 1780, to about three hundred and forty *per cent.*, and continued during that time regularly to fall.

The gain, therefore, upon the capital vested in the East India stocks, which, to the original subscribers was at first thirty-six *per cent.*, had now fallen to two and three fourths *per cent.* : a smaller profit than is afforded by trade in any other country of Europe, and not one half the profit which private traders gain in the least advantageous of the distant branches of commerce. We may easily imagine, then, how few capitals the hopes of such a trifling gain allure to the service of the Dutch East India Company. That institution has, in fact, for many years, been supported chiefly by the number of those who wish to acquire a political influence in its affairs, and are contented to take a smaller profit on their purchase-money, in order to obtain the chance, either of patronage in the East Indian establishment, or gain and influence in the European direction.

Thus, instead of profiting by their possessions in the East, to secure an opening for that immense capital which has for a long time been overflowing into every channel of foreign employment, by loans, commerce, and stockjobbing,
and

and which will very soon be left without any employment at all, the United Provinces have, by means of their East India Company, almost entirely ruined the East India trade, stunted the growth of their settlements, alienated many of the native powers, and, at the expence of all the great capitalists and industrious adventurers in the republic, have obtained, for the indolence of some petty stockholders, a paltry annuity, and for the avarice of some great adventurers immense fortunes. It is not easy, then, to perceive the origin of those encomiums which have been lavished on this institution, unless indeed they came from men directly concerned in it. M. Robinet scruples not to ascribe the commercial and political importance of Holland almost entirely to this cause. ‘ La Compagnie des Indes Orientales (says he) c’est la cause la plus sensible et le principal soutien de la puissance des Hollandois. ’ *

It is probable that many years will not elapse before the Dutch may find it absolutely necessary to give vent to their overflowing capital, by throwing open the East India trade, and taking from the Company, if not the government which they have grossly abused, at least the trade which they have systematically mismanaged. But the ill effects of the monopoly

* Diét. XXVII. 117. de l’homme d’état.

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monopoly and the Company government, will long continue to operate against the Republic and her Asiatic colonies. To say nothing of the state of languor into which those settlements have been thrown, and the dangers to which they have been exposed from the native powers by the oppressive government of the Company, the monopoly has raised a formidable competition against the Dutch, more especially in the English and French colonies. The French, for example, formerly sent only five or six vessels yearly to India, and purchased Dutch East India goods to the amount of ten or twelve millions of florins. Above twenty years ago, they sent eighteen or twenty vessels to the East, and sold to Holland as much East India merchandise as they formerly bought from her. The political folly of the Republic, then, has subjected her Asiatic trade to precisely the same evils from foreign competition, to which the unavoidable disadvantages of her natural situation in Europe subject the other branches of her traffic.

The States-General, and the body of the Dutch people have been reconciled to that grand nuisance, of which we have now traced the history, by its constant ability to support itself, without any direct aid from the public treasury, and by certain evident advantages which it has, from time to time, been able to afford

afford the community and the government. The charter was granted for the eighth time in 1762; and the average premium paid for those renewals, was about two hundred and seventy thousand pounds Sterling, or three millions of florins. The Company have uniformly paid a composition of sixteen thousand florins *per annum* in lieu of customs on exports; and the amount of the customs on East Indian imports, is four hundred and twenty-five thousand florins at an average. The Company have, besides, often assisted the state with loans at very critical emergencies; and as the æras of the Republic's most pressing occasions during the Spanish war, and of the highest prosperity of Indian affairs, happened fortunately to coincide, the Company had an opportunity of rendering very essential services, and of acquiring a very great name in the state. They have frequently, too, supported the declining manufactures in several of the chief towns of the provinces; they have always allotted a considerable yearly revenue to the Stadtholder, which secured the favourable influence of that officer; and they have usually granted to the government a percentage on the prime cost of the actions, besides furnishing at a low price abundance of saltpetre for the service of the army and navy. Although some of these interpositions are far from being beneficial, or even harmless

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to the state, while none of them are of any material consequence ; yet all of them are of that plain and palpable description which generally attracts both rulers and people. The prosperity of the Dutch East India Company, therefore, by far the most hurtful commercial institution that ever arose among men, has been always an object of equal favour with the government, which it did not much assist even in the mean time ; and with the people, whom it was, both in the mean time, and at the long-run, bringing to poverty and ruin.

II. The history of the West Indian colonies of Holland, has been in all respects extremely different. Long before the Dutch had acquired any settlements in America, they were in the habit of trading thither as individuals, or in small copartneries. The voyage being much shorter, and the temptations offered by the Spanish and Portuguese contraband being greater than any which the East Indian commerce held out, many more capitals must have been drawn to the Western, than went at first to the Eastern traffic. But the desire of acting in concert against Spain during the war, and the monopolizing views which traders constantly engaged in the same branch of commerce never fail to acquire, induced the several individuals and copartneries

partners carrying on this trade, to apply, in the year 1621, for an incorporating and exclusive charter. The States-General, expecting the same assistance from the New Association that they had received from the East India Company, and believing that no means could be devised more effectual for annoying the Spaniards, acceded to the demand, and granted to the New Corporation an exclusive right to all the African and American commerce; taking upon themselves, in this manner, the right of limiting, not merely the traffic of those settlements which they might acquire, but of other states and colonies placed beyond the jurisdiction of the Republic. Besides these commercial privileges, the States conferred upon the Corporation the right of governing and defending any new colonies which it might acquire; and made it a present of several large vessels, well manned. They retained to themselves, however, the nomination of the Company's Governor-General abroad.

The original capital of this Association amounted to seventy-two thousand florins, in transferable shares or actions, of six thousand florins each. The European administration was committed to five Chambers in the great mercantile towns, consisting of seventy-four directors, of whom eighteen, with a deputy appointed by the States, were

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invested with the general management of affairs. At first, the concerns of the Association prospered. The æra of its formation was the most brilliant period of the opulence, as well as the heroism and patriotic zeal of the United Provinces. The antipathy with which all ranks were animated against the Spanish name, engaged universal favour and assistance to every project inimical to the interests of the Crown of Castile. The Company's charter happened to comprehend that very part of the world where the most valuable parts of the Spanish dominions were most exposed to invasion. Thither the whole efforts of the Dutch were bent; and, while the armies of the Republic were conquering the fine provinces of Brazil, the navy, under the banners of the West India Company, was destroying the rich commerce of Mexico and Peru.

The affairs of the Company, during this splendid period, seem to have attracted so much attention, that they were extremely well managed. The whole expence of administration and of war, from 1623 to 1636, amounted to thirty-five millions; and, during those thirteen years, prizes, to the amount of no less than thirty millions, were taken from the Spanish and Portuguese. Eight hundred vessels were constantly employed in the commercial and military operations

operations of the West Indies; and the Company, with a wisdom and liberality very unusual in such Corporations, allowed all their fellow citizens to trade freely to Brazil, provided they used their vessels, and did not interfere with the timber trade, of which they retained the monopoly. But that commercial prosperity must always be insecure which is subject to the vicissitudes of military operations, and depends upon the possession of war-monopoly or plunder. A trading company is, if possible, more unfit to conquer and defend, than to traffic and govern. The Portuguese no sooner threw off the Spanish yoke, than they turned their attention to those rich colonies, the loss of which they owed, in a great measure, to the neglect of the Spanish government during the union of the kingdoms; and the Dutch Company, with that inconsistent parsimony which marks the operations of mercantile bodies engaged in political or military affairs, had retrenched so much of the expence required for defending their possessions, and rendered useless so many of their best officers, by subjecting their measures to the controul of men taken from behind the counter, that the colonies were left utterly defenceless, and fell a sacrifice to the first attack of the Portuguese*.

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From this time, as might easily be expected, the affairs of the Company rapidly declined. Bad management in every quarter; disputes among the servants of the Company abroad, and the directors at home; losses in war, and by every sort of speculation—all the usual attendants of company government—conspired to ruin a concern which had only been supported by the astonishing successes of a war carried on against the richest territories of the most opulent nations in Europe. The amount of the dividends soon fell to nothing; the value of shares quickly decreased; and the Company, being overwhelmed with debt, actually lost by the trade. In 1674, therefore, the Corporation was dissolved; and, as if the bad effects of such a system had not already been sufficiently experienced, a new Society was immediately chartered, though upon a plan somewhat different. It was to undertake the burden of the old Company's debt, amounting to six millions, but reduced to thirty *per cent.*, and was to accredit in its books the proprietors of the old Company stock, at the rate of fifteen *per cent.* The creditors, on their part, were to advance an addition of eight *per cent.* on their loans, and the stockholders were to advance four *per cent.* on their shares. The new capital, thus scraped together, amounted only to six hundred and thirty thousand florins. The exclusive

clusive commerce of the Company was limited S E C T. III.
 to a certain part of the African coast, besides the conquests they should make. The rest of the trade monopolized by the former Company, was now thrown open to all the subjects of the Republic. In 1730, when the charter was renewed, the African slave-trade was made free, on condition of a certain lastage being paid to the Company; and in 1734, the whole African trade was laid open upon the same terms.

It must be acknowledged, that, even previous to 1730, the privileges of this Corporation were such as could give but little umbrage to the body of the Dutch merchants, when compared with the rights enjoyed by the first institution of the same kind. But as the united privileges of the Company were not sufficient to counterbalance the various disadvantages under which all such institutions labour, they obtained, in 1682, the exclusive management of the colony of Surinam, for the trifling sum of two hundred and sixty thousand florins paid to the States-General. This grant was accompanied by certain conditions, evidently suggested by the history of the East India and old West India companies, and framed with the manifest view of preventing the abuses common to trading corporations. They were to serve as the fundamental rules of the Company in the possession of the new territory; and the altera-

tion or infringement of any of them was to incur an immediate forfeiture of the grant.

By article IV. of this important charter, certain duties on exports and imports are established, and certain taxes fixed on the colonists. By articles VI. and VII., the Company is bound to furnish annually a sufficient number of slaves to the colony. These restrictions and obligations are in their own nature nugatory and absurd. It is ridiculous to prevent any authority, constituted for the purposes of government, from varying the imposts according to the circumstances that may occur; and no criterion is given in the charter, by which to estimate what number of slaves may be sufficient for the service of the colonists. The planters must, of course, always demand a greater supply—the Company must be inclined to give a smaller supply than is necessary. But there were other articles added to the above clauses, and necessarily productive of the happiest effects to this fine colony, by remedying most of the evils that usually attend Company government.

By articles XIII. XIV. and XV., free commerce and settlement in the new colonies are permitted to all Dutch subjects, on condition of their sailing straight thither, and returning straight therefrom, neither interfering with the Company's African monopoly, nor touching at any foreign port. By article VIII. (one of the most remarkable

remarkable in any charter of this kind, and by far the wisest that we meet with in the history of trading corporations), the Company are absolutely prohibited from ever sending a single vessel to the colony for the purposes of trade, and are only permitted to carry thither slaves from Africa, and to reload the slave ships with the produce of the taxes paid in kind, and the price received for the slaves sold. Besides these important limitations, although the Company are allowed to name the governor, and to bind him by instructions, the States-General must always ratify both the appointment and the instructions. The governor is to take the oaths of allegiance to the States and Stadtholder, as well as to the Company; he is to be guided by a colonial council, selected by himself, from a double number chosen by the free inhabitants. The Company are bound to defray all expences out of the funds assigned in the charter, and to lay no tax whatever upon the settlement, without the consent of the States. *

The privileges of the Company, thus restricted, were not sufficient to defray the expence of the original purchase money paid for the charter. Accordingly, in the next year, they sold one third share to the city of Amsterdam,

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* Articles XVII. XVIII. XXI. and XXVII.

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dam, and another to the rich family of Sommelfdyk, reserving the remaining third to themselves. Those three co-proprietors have since continued to form a society or partnership under the name of the Surinam Company, regulated by the charter originally granted to the West India Company. The affairs of the institution are administered at Amsterdam, by a congress composed of as many deputies as each partner chuses to send: but each partner has one vote only, and pays the salary and expences of his own commissioner. A concern, managed in this way, possesses many advantages over the common administration of chartered companies—from the division of interests, and the mutual checks of the three parts on each other, and from one of the parties being, not a corporation, but a private individual. In vigour and decision of operations, such a government must be proportionably deficient; and hence the territories of the Company have been exposed to many serious dangers from invasions and insurrections, without possessing sufficient vigour to meet the exigencies of the occasion. Except in the government of Surinam, this Association has no connexion with the West India Company, which, of consequence, continued to furnish negroes to the settlement, in its capacity of African Company, until the year 1730.

A view of the progress of the dividends and prices of West India stock, will enable us to judge concerning the prosperity, not only of the Surinam Society, but also of the concerns of the West India Company. The average dividend in ten years, ending 1690, was $2\frac{2}{3}$ per cent. In ten years, ending 1772, it was 1 per cent.; and from 1773 to 1779 inclusive, nothing at all was divided. The actions, as may easily be imagined, have never been at par; their price has varied from $92\frac{1}{2}$ to 18 per cent. since the year 1723. The average price during ten years, ending 1732, was about $81\frac{1}{2}$ per cent. During ten years, ending 1779, it had fallen to $32\frac{4}{7}$ per cent.

The settlements of Essequibo, or Ifsequibo, and Demerary, have been always under the charter of the West India Company, as well as Surinam, and governed in the same manner.

Berbice, or Berbiche, though within the Company's charter, owed its origin to the mercantile speculations of the family of Van Peere; and all the cultivated part of the colony belonged to them. In 1678, they obtained a perpetual grant of it from the Company, which was confirmed in 1703; and when the French attacked it in 1712, the colony bought them off with a considerable composition, paid, partly in goods and money, partly in a bill of exchange drawn

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drawn upon the house of Van Peere in Holland. For the acceptance of this, the French took two hostages of rank; and as these happened soon after to die, the proprietors refused to honour the draught. The money was paid by three great mercantile houses, and one fourth of it by the Van Peeres, who thus transferred three fourth shares of the colony to the other merchants as co-proprietors: and the four houses together, formed a copartnership or company at Berbice, administered exactly in the same manner with the Surinam Society.

Thus did the spirit of mercantile adventure, which has ever distinguished the Dutch from all other nations, give rise to a species of private property and delegated government, perhaps the most singular that has been known among civilized nations. If the colony of Berbice had remained under the same system of proprietary management, and continued to prosper as it did at first, we might have now seen a country of much greater extent, fertility and population, than the United Provinces, subject to the hereditary administration of four private merchants, in consequence of a speculation undertaken by their ancestors. The proprietary governments of North America differed from the Company administrations of Guiana, in many important particulars. They were the consequence,

quence, not of mercantile adventures, when the colonies had attained a considerable pitch of prosperity, but of large and thoughtless grants, made by the Crown to favourites, of waste and uninhabited lands. The proprietor had only the right to the lands which remained unalienated, and had the power of naming to certain offices, which conferred a share of the supreme power, extremely trifling, when compared to that which the Dutch governors enjoyed. The British colonies were subservient to the Legislature of the mother country;—the Dutch colonies owed the same allegiance, not to the States-General, but to the proprietors.

But the existence of this most anomalous species of colonial government and property, was terminated by that rage for stockjobbing and mercantile gambling of every kind, which broke out over all the trading part of the European commonwealth in the year 1720. Berbice opened a large field of speculation to the proprietors. They resolved to extend their association, by forming a capital of 3,200,000 florins, divided into transferable shares, the property of which communicated the colonial rights formerly enjoyed by the four associates. These shares were never bought up. In 1774 only 941 had been disposed of, at the price of 1,882,000 florins; and the price, originally

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2000 florins, fell, in a few years after that period, to 200; notwithstanding the large dividends which the proprietors most imprudently caused to be made from a fund wholly inadequate to the demand.

The African trade, the other great branch of the West India Company's property, had been rapidly declining long before it was, we may presume from necessity, abandoned. The Company were bound to furnish, annually, to some of the colonies a certain number of slaves at a specified price;—to others, such a number as might be required. They were, however, utterly unable to fulfil any of those conditions; and so long as the exclusive privileges of the slave trade were retained, the deficiency was supplied by smuggling directly from Africa, or by underhand dealing with the French and English settlements.

Such has been the fate of the West India Company of Holland; by far the most harmless institution of the sort, since its revival in 1674, that has ever been erected, whether we regard its mercantile privileges or its political power. The former were so limited, that they could impose little or no restraint upon the general commerce of the colonies. The latter was so narrowly watched by the government, and so much checked by the privileges of the colonists,

colonists, that it never gave the Company any opportunity of greatly mismanaging the political affairs of the settlements. The interest of a few individuals in a large part of the Company's stock, may also be considered as an additional circumstance in favour of the institution. Nothing but this has tended to preserve its existence, languishing as it now is, and probably drawing fast to a close.

The ill success which this Association has experienced, furnishes a useful example of the manifold evils of Company government. If the only corporation of this kind which has never enjoyed the power of mismanaging the political affairs, stunting the growth, and cramping the trade of the colonies submitted to its inspection, fell into a rapid decay almost immediately after its erection, and only preserved its existence by deviating from the nature of chartered companies; surely, it is fair to conclude, that all those companies which have prospered with more ample grants of political and commercial rights, have owed their success entirely to the ruin of the government and trade of the community entrusted to their care.

We shall now shortly consider the advantages which the United Provinces have derived from the possession of their South American colonies,

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nies, and endeavour to estimate the still greater benefits, which a better system of colonial policy may hereafter derive from those noble provinces.

1. The avidity with which Dutch capitalists have uniformly seized all opportunities of embarking their stock in West Indian speculations, far exceeds any thing of the kind which has appeared in the other less wealthy and adventurous countries of Europe. No part of the Dutch commerce, indeed, gives us such an idea of the vast extent to which the accumulation and distribution of capital has been carried by the frugal and industrious inhabitants of the Low Countries, and of the necessity under which they labour, of finding some certain opening for their surplus stock, by the acquisition of new territory.

We have formerly had occasion to remark, that the circumstances in the situation of small capitalists, and the nature of the distant trades, or of colonial speculations in general, prevent such small proprietors from engaging directly in those branches of commerce and agriculture. In proportion to the extent of their numbers and wealth, the Dutch have among them fewer large capitals, than are to be met with in nations less opulent, industrious and free. Their magnificent resources chiefly consist

list in the vast number of small capitals every where diffused. An extreme refinement in the commerce of Holland, has opened the distant traffic and agriculture to those smaller stocks, as well as to the larger ones, which naturally resort thither ; and this has been merely an improvement of those two ways which I formerly pointed out *, as the only means of drawing the smaller capitals into the colony trade.

The temptations of an interest, double that of the Dutch money market, and much exceeding the ordinary gains of Dutch commerce, are sufficient to induce great capitalists to risk their money in loans, more especially if those men are engaged in the colony trade as merchants (which is generally the case) ; for then they receive the consignments of West India goods for the European market ; and the whole commission, amounting to $2\frac{1}{2}$ per cent. on the receipts, and the same on all furnishings, is a clear profit, without any risk, and with very little outlay of capital. As, however, the larger capitalists in general prefer to employ their stocks directly in the colonies, and either to reside there or keep a steward, the merchants, after expending all their capitals in so tempting an employment, often find themselves unable to satisfy the demands continually

* Sect. II. Part I.

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ly made by their West Indian correspondents for more capital, to extend their speculations, or to obtain a living profit on their former outlays. If the assistance of the Dutch merchants ends here, they run the risk of losing the consignments; and if the planter fails for want of such additional supplies, his creditors are sure to suffer, besides losing the consignments of the new proprietor who may purchase the stock of the bankrupt. Thus, the great West India houses often strain themselves much beyond their power, to serve, or to save their debtors, and all to no purpose; contracting debts, in order to lend to their colonial debtors, till at last the ruin which has thus been delayed, falls on their own heads in the first instance.

The circumstances in the situation of small capitalists, which prevent them from engaging in colonial speculations, are chiefly their timidity about losing sight of their stocks, and their need for quick returns. The circumstance in the nature of the trade itself, which produces the same effect, is the necessity of large stocks to bring in tolerable profits*. Both the one and the other of those obstacles have been removed by the fertile invention of the Hollanders.

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* Sect. II. Part I.

The merchant who receives an appointment as agent and consignee of a planter, gives public notice, that, at a certain time, a certain sum will be required for the plantation, by way of loan; that the documents of the valuation and produce are deposited with him; that he has received credentials as director of the affair, and also the necessary number of acts of hypothecation, by which the planter, as well as himself, become bound, personally, and to the utmost extent of their property, to repay, within a certain time, the loans advanced in the form of purchase money, and to discharge the interest of these at certain terms. The public are thus invited to purchase these bonds or actions, bearing interest, and transferable from hand to hand. The holders are allowed to meet, and choose several respectable persons of their own number, as commissioners, to whom the director is obliged, annually, to give an account of his management, and to exhibit documents of the state of the plantation, and the progress of the loan. The affair is, in this way, organized precisely after the manner of a public loan, or the stock of a trading corporation. The temptation of a higher interest balancing the inferior security, the mortgaged men eagerly buy up the actions of such private co-partneries,

partners, and give them a currency like that of the British Navy and Exchequer bills.

When this mercantile experiment was first tried, it is inconceivable with what rapidity the shares were seized by all, and how many new loans, on similar terms, were immediately opened, with the expectation of a similar success. The smallest capitalists did not scruple to risk part of their stock in each of those adventures—a hundred florins in one, five hundred in another, and a thousand in a third; since, by dividing the risk, they diminished the chance of great loss, or total ruin, and were constantly receiving the returns. Indeed, as the actions bore interest at all times, the holder of them, if the fixed term of payment did not return often enough, might sell his proportion at any time, and receive from the purchaser the interest due since the last dividend, deducting a trifling consideration for the advance. The constant possession of his capital, under the fictitious form of actions, and the recourse afforded against the merchant-director of the scheme constantly in his view, gave the purchaser the idea of having his capital always in his sight; and so far this idea was well-founded, that he always possessed a saleable or exchangeable commodity within his reach.* Besides, no active spirit of ad-
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* Note R.

venture was required ; the debtors alone were the pushing people ; the creditors had nothing to do, but to purchase their shares, and draw their dividends. The capitals of persons unfit for business—of children, aged people, and women—might find their way into such loans ; and the stockholder, who could exert himself, had time left to employ his talents and industry in other gainful occupations. The smallest gain or saving might thus be laid out, at any moment, and for any length of time, while his main stock was carrying on his main business ; and, in a country so overstocked as Holland, where the openings for capital were daily contracted, it was a matter of infinite moment to possess some such vent for surplus stock, which, in less opulent and more extensive countries, would instantly have been absorbed in the same lines of employment that had led to its accumulation.

Thus, the smaller capitals in Holland were attracted to the colonial cultivation ; and the mother country afforded the colonies all that assistance of which they stood so much in need, by turning into their service the overflowing capital of her own traders and proprietors. The amount of the colonial debts is accordingly stated to have been enormous. We are

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told, that, about twenty-five years ago, the debts of Surinam amounted to sixty millions of florins, and those of the other colonies to forty millions, † without including those on open account, which, though transacted at shorter dates, must have been very great. M. Malouet (an author extremely well-informed as to all colonial affairs) says, that the debts of Surinam alone amounted, while he was there, (1776), to eighty millions. He estimates the portion of the net produce which comes to the planters, at one tenth only: one fifth goes to government; two fifths to insurance, freight and commission; three tenths to the interest of debts, and to casualties. Of four hundred houses of proprietors in the colony, in 1776, only twenty were free from debt, and enormously wealthy; one hundred had debts amounting to between one third and one fourth of their value; one hundred and fifty owed one half, and the remaining hundred and thirty owed from three fourths to the whole, or upwards. ‡ This excessive load of debt, arose from the great ease of borrowing. The avidity of all money-holders in the mother country, to engage in colonial loans, induced the planters,

† La Rich. de la Hol. II. 201.

‡ Mem. sur les Col. tom. III. p. 87.

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ers, who wished to overtrade or relieve their desperate circumstances, to transmit to Europe estimates of their property higher than the truth. We are told, that it was usual to send about the same slaves and cattle from one plantation to another, at the time of making up the inventories and valuations; and the produce was often smuggled out of the settlement in foreign ships, to the prejudice of the director-connegee in Holland, * who, on his part, during seasons of misfortune, exhausted his own funds and credit in advancing to the stockholders the interest due from the colonists, and was sometimes entirely bankrupt, while the actions were all the while selling at a premium. The failure of a great West India house has frequently shook the whole 'Change at Amsterdam, and been felt over the Republic like the shock of a national bankruptcy. On the other hand, evils frequently arise to the planters, from the harsh treatment of some creditors, who, observing the strict letter of the law, have agents ready upon the spot, to force a sale of the plantation, on the failure of payments, the moment they are due. In this case, the creditor or a friend is generally the purchaser, and always buys at a very low price.

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* La Rich. de la Hol. II. 201.

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The capital attracted to the colonies in this manner, cannot, by any means, be said to be taken from more useful employment. For all that system of credit which we have been contemplating, is founded, not on the possession of colonies, but on the abundance of the national capital. It is the effect of a vast accumulation of stock in a country without internal resources, and depending for employment on those deficiencies of its neighbours which they are every day supplying. If Holland possessed no colonies, the surplus capital would still find a vent in loans to foreign governments, or foreign individuals, or foreign colonies. In fact, the very same system of credit has, in part, grown up, in those transactions also, from the limited extent of the colonies, the restraints imposed by the exclusive privileges of corporations, and the checks which colonial adventures receive from the abuses of the slave system. The numerous loans of the Dutch to foreign states, are negotiated in the very way that we have already described. The loss of the colonial establishments would only multiply those foreign loans, and deprive the state, not only of all the political advantages of such dominions, but also of the security and gain resulting from the possession of that opening for surplus capital, which the colonies at present afford.

2. Several other circumstances have contributed to the astonishing increase of the Dutch settlements, besides the immense resources of credit, so much wanted in all other colonies. They have, like the mother country, afforded an asylum to persecuted men of every description. The revocation of the edict of Nantz sent thither many respectable French families, both from the colonies and from Europe. The Jews have found the same hospitable reception in Dutch Guiana as at Amsterdam: they form a considerable part of the white population, enjoy all civil privileges, and participate in some important political rights. * The climate of Guiana, although not very favourable to health, is much more favourable to opulence, than that of the islands; and the robust constitution of the negroes is not at all affected by the diseases arising from heat and dampness. The crops are never laid waste by those hurricanes, which so often blast the hopes of the West Indian planters in the tropical settlements. The soil is abundantly productive, and all sorts of West Indian produce have flourished there, that have ever been tried.

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* La Rich. de la Hol. I. 295.—Malouet, Mem. sur les Col. III. 190.—Morfe, American Geography, p. 155.

From all these causes has arisen a degree of industry and agricultural wealth quite unknown even in the other colonies of European nations. The Dutch, in South America, are distinguished by the same persevering spirit of labour, that marks their character in Europe; by the same necessity of struggling against the encroachments of the sea; and by the same splendid reward of their toils, in astonishing opulence.

In the year 1764, Demerary and Isequibo had one hundred and thirty plantations on a small scale. The average produce of Surinam, in the year 1775, was estimated at from twenty to twenty-two millions—the growth of four hundred and thirty large plantations, transported to the mother country in seventy great vessels. Berbice, which has never recovered the effects of the fatal insurrection in 1760, had only (in 1775) one hundred and four plantations, and sent home, in four or five vessels, from ten to twelve hundred thousand florins worth of produce.* Since that time, the cultivation of every article, except cotton and cacao, has been diminished; but the returns of the former of those

* Morfe, Amer. Geog. p. 154.—Ricard, *Traité du Commerce*, III. 676.—Malouet, III. 190.—*La Rich. de la Hol.* I. 334.—Raynal, IV. 262.—*Commerce* (Encyc. Method.) II. 548.—*Econ. Pol.* (Encyc. Method.) II. 54.

those valuable articles (esteemed the finest in the world) have increased above eightfold, and the culture of the latter has been entirely begun during the same period. The number of plantations, in 1796, was reckoned at five hundred and fifty; and we are told, that the produce of the sugar and coffee grounds had fallen off one third in the course of fifteen years.

The whole returns of the Dutch colonies, above twenty years ago, were calculated at twenty-four millions florins—exported in one hundred and fifty vessels, navigated by four thousand men—and paying, in freight, four millions five hundred thousand florins—in commission and insurance, two millions and a half. The Dutch merchants exported to them merchandize (including negro slaves) to the value of six millions.

3. The most unfortunate circumstance in the colonial policy of the Dutch, has always been their bad treatment of the slaves. I have already pointed out,* in general, the causes of this cruelty; and I shall now shortly take notice of the manner in which it operates. Laws are not wanting here, as in the other colonies, for checking the severe treatment of the negroes.

But

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But the evidence of a negro being inadmissible against a white man, the master has only to remove from the spot all European and Creole whites (never very numerous, at any rate, upon the grounds), and then he may, without restraint, carry his cruelty to any length. We are informed, that it is common for the planters or their stewards in Dutch Guiana, to put to death their slaves, on the slightest suspicion of a fault, and only to take care that no white person is present.* All authors, even the Dutch writers themselves, agree in giving the same horrid accounts of the cruelties exercised over this unhappy race of men; and in remarking the total insufficiency of the laws to check so great an enormity—to counteract the effects of dissolute manners, natural to men placed in the situation of the planters and their agents—or to constrain that avarice after profit, which is excited by the cravings of creditors, and the competition of rival capitals. ‘ Il n’y a point de bete de ‘ somme ’ (says the author of the *Voyage à la Guiane et à Cayenne*) ‘ dont la condition soit ‘ aussi triste que celle de ces esclaves. Ils etaient ‘ obligés de travailler sans relache, et on les ‘ traitait sans misericorde. Ces rudes traités ‘ mens les portaient souvent au desespoir, et à ‘ chercher

* Econ. Pol. (Encyc. Method.) IV. 297.

‘ chercher les moyens de se mettre en liberté ;
 ‘ et quand ils craignaient d’être pris, ou de ne
 ‘ point obtenir leur pardon, ils se détruifaient
 ‘ eux-mêmes. ’ † The author of ‘ *La Richesse*
 ‘ *de la Hollande* ’ admits the charge, and ascribes
 the fact to the dissolute manners of the new-
 comers. †

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Accordingly, the Dutch have been the first to reap the fruits of a conduct equally impolitic and unprincipled. The existence of their power in South America has been repeatedly endangered by the attacks of the revolted slaves, who have formed themselves into an independent community, under leaders of their own ; and, increasing rapidly in numbers, have not only held out continual temptations to desertion and disaffection among their brethren in a state of servitude, but have compelled their former masters, by force of arms, to yield to the most humiliating conditions. The reduction of these Maroons (as they are called), the defence of the colony against their encroachments, and the prevention of farther disaffection, have been the grand objects of the Dutch government for near a century past, in South America. At last a bulwark was erect-
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† P. 226.

† II. 197.

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ed against the Maroons in 1773, by surrounding the whole colony with a cordon, and forts at small intervals. This has rendered a large force always necessary in those parts. The usual peace establishment is one hundred and fifty regulars in Surinam, and two hundred and fifty in Berbice, all in the Company's service; with one battalion provided by the States-General. The critical circumstances of the settlement, render all the whites able to bear arms, members of the militia, which is composed of two thousand men. Every sort of pains is taken to conciliate the native Charaibes, to employ their assistance against the Maroons, and to alienate them from all connexion with the negroes of whatever description. This policy has, in part, succeeded. But the great root of all the evil remains untouched—the maltreatment of the slaves. And all authors and travellers agree in stating, that revolt is quite unknown upon those plantations where the blacks have been well treated.

4. The colonies of Holland have suffered, in general, from the importation of negroes being too scanty to answer the demands of the proprietors. The West Indian Company could never supply a sufficient number; and ever since their

their African trade was thrown open, the lastage duty has been so heavy, and the free slave-trade of Britain has given the English such superiority in this branch of commerce, that the Dutch colonists find it much more profitable to smuggle the article from the British islands; from whence, after all, the supply is far too confined.

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In no colony is the disproportion of colours more striking than in Dutch Guiana. Some authors represent the whites as four thousand in number, the slaves as ninety thousand. Others, with greater appearance of truth, estimate the former at from three to four thousand, the latter at forty-four thousand.* We shall afterwards see how unfavourable it is to the prosperity of the settlements, that a preference is universally given to Gold Coast negroes in all purchases.

The circumstances of the Dutch continental colonies are, in every way, unfavourable to residence. Only eighty of the proprietors are said to live on their estates; and, in general, there are more strangers than Dutch in the settlements. The nonresidence, however, must augment the revenue derived by the mother country from those possessions.

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5. The Dutch islands are in a very peculiar situation—a situation, with respect to the other European colonies, strongly resembling that of the mother country with respect to the other states of Europe. The limited extent and barrenness of their soil, renders them quite unfit for the operations of agriculture which enrich the other islands. This want they have supplied, by availing themselves of their position, extremely convenient for smuggling. They have accordingly almost monopolized the rich contraband trade of Spanish America, and have become, for fair traffic also, the great emporium of the West Indies. They are, indeed, the only settlements in this part of the world, of which the inhabitants have ever devoted themselves to mercantile pursuits. The liberal spirit which usually attends extensive commerce, has also been displayed here; and the ports of one of the islands have been thrown open to all the world. The consequence of this circumstance has been, an astonishing acquisition of wealth, and a great population of white inhabitants, more particularly in St Eustatius, where the free trade is allowed. In the port of this island, Lord Rodney at one time (in 1780) captured prizes valued at above three millions Sterling. If the Dutch are neutral in any war, the trade of their islands receives a vast

vast addition, and they furnish all the belligerent powers with supplies of every kind, regardless of any political considerations, and looking entirely to their profits. ‘ The ‘ Dutch ’ (says the compiler of Harris’s Voyages) ‘ are in perpetual alliance with ready ‘ money, let it be English, French or Spanish, ‘ as appeared clearly in our late expedition to ‘ Laguna and Porto Cavallo, where they furnished us with cables, ammunition, and even ‘ men, for attacking the Spaniards, whom they ‘ had before furnished with powder and ball ‘ sufficient to render that attack ineffectual; ‘ and, but for the neighbourhood of this Dutch ‘ settlement, the Spanish fortresses, beforementioned, had been infallibly reduced, and in ‘ our possession.’ *

The usual consequences of commerce and manufactures, a greater refinement of manners, and more studied elegance of dress and luxury, are apparent in those islands. The good treatment of the slaves, who are chiefly used as domestics, and not required for field work, has prevented any tendency to revolt; and the number of resident capitalists with their families, is almost as great as in equally populous districts of Europe.

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* Harris’s Collection, vol. II. p. 371.

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I have already stated, that, many years ago, the whole export from the Dutch colonies in America to the mother country, was about twenty-two millions of florins. It is probable, that this is now increased to nearly thirty millions, or two millions seven hundred thousand pounds Sterling. The importation of the colonial produce employed, in 1779, above one hundred and seventy large vessels in time of war, and one hundred and forty in time of peace. It is probable, that, now, this number may be estimated at two hundred sail in war, and, in peace, at one hundred and seventy. The usual entries at Amsterdam, from the North, in 1778 and 1779, were one thousand five hundred and sixty; from the South, six hundred and sixty; from the Mediterranean, one hundred and five; from the East Indies, between twelve and thirteen; from the whale fisheries, one hundred and seven; and from the foreign American settlements, ten. The average bulk of the European traders was probably not above one half that of the colony ships. We see, then, what a proportion of the whole Dutch tonnage is occupied with the colonial commerce.

It is, besides, a trade always increasing, and capable of indefinite augmentation, while the other branches of traffic are, of necessity, on the wane. It is beneficial to Holland as a home trade,

trade, while the rest are chiefly carrying trades. It throws a large balance of valuable commodities into the market of the States, by the number of colonial proprietors who reside in the mother country, or remove thither with their families and fortunes. It furnishes equivalents whereby the rest of the Dutch commerce may be supported. It is the only branch of trade that Holland possesses securely, as other countries possess their commerce.

The demand for colonial produce, in the home market, is not nearly satisfied by the returns of the Dutch settlements. The sugar and tobacco works of Amsterdam consume about double the quantity of sugar and tobacco imported from the colonies, although we include the large quantities imported in Dutch vessels from the mercantile islands, and raised in foreign settlements. I do not say that this is for home consumption; but it is for the support of manufacturing industry, the chief part of the domestic industry of Holland, and for the preservation of its foreign commercial relations with Europe. Unlike the other branches of Dutch traffic, then, this might naturally be extended at the expence of foreigners; and while the growth of capital, and of naval resources in the rest of Europe, is necessarily diminishing the great staple of Dutch industry, the acquisition

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of new colonies might easily push from the Dutch market a large quantity of foreign produce, that now gains admittance there, in consequence of the Dutch colonies being so limited in their extent or productive powers.

In no country, therefore, is there so great a demand for new colonies as in the United Provinces. To no part of Europe are colonial possessions so valuable. None would be so irretrievably ruined by their loss: none would be so much benefited by their extension.

P A R T II.

OF THE COLONIAL POLICY OF SPAIN.

No country of Europe presents so striking a contrast to the United Provinces as the kingdom of Spain. Whether we consider the physical, or the moral and political circumstances of the two states, or attend to the annals of their history, and compare the train of those events which may be viewed as of accidental occurrence, we shall be convinced, by a very superficial survey, that in every material particular the diversity is complete.

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It has already been shewn how the want of territory stimulates the laborious exertions of the Dutch, to make the most of their little spot of ground; and to supply the deficiencies of their natural resources, by interfering with the wealth, and resisting the attacks of every other people. The Spaniards possess a country fifteen times more extensive than Holland, of incalculably greater fertility, enjoying all the benefits of the finest climate in the world, surrounded with natural barriers of defence, and blessed with every advantage of situation which can facilitate commercial intercourse. Yet this noble territory supports, in proportion, not much more than one fourth of the Dutch population. Its natives are lazy and poor; its government is perpetually reduced to the utmost pecuniary difficulties, and subjected to a mean dependence upon foreign powers; and its whole trade is not nearly equal to that of a single Dutch province. As abundance of fertile land has rendered great exertions of industry superfluous, and superseded all necessity of assistance from foreign pursuits: so have the same advantages of natural situation removed that check upon the passions and narrow prejudices, both of the rulers and the people, which in Holland has exercised a most striking and useful controul. The policy of Spain in every department, but more particularly in the affairs of trade, has been as uniformly

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formly blind and illiberal, as the policy of the Dutch has been enlightened and extensive. While the States-General were by every encouragement attracting foreigners from all countries, to enrich the republic by their capitals and labour, the Court of Madrid was expelling from every corner of the peninsula that numerous race of men who possessed the whole industry and skill of the community. While unbounded religious tolerance, and ample enjoyment of civil rights, promoted the rapid improvement of the Hollanders in refinement and in wealth, and gave their rulers the full use of all the national resources, the Spaniards groaned under a bigotted tyranny, and a despotic superstition, which, after depopulating the finest plains of the kingdom, damped every effort of the remaining inhabitants, and stunted the growth of the national power. To compare the European policy of Holland and Spain, only in a single particular—One of the largest proportional revenues in the world is raised from the Dutch, without any considerable inconvenience; while the Spaniards, to pay the most trifling proportional revenue, are more oppressed by ruinous and absurd fiscal laws than any other community that ever existed. It has thus happened, that the people, of all others the least favoured by nature, have become in proportion the wealthiest and most powerful, while the nation upon whom every gift

gift of various felicity was lavished, has sunk into poverty and degradation.

The æras, too, of the Spanish decline, and the Dutch exaltation, have exactly coincided. For while the United Provinces belonged to the Crown of Castile, the affairs of the Spanish monarchy prospered; and during the whole of the Austrian dynasty, when the Dutch were rising to the highest pitch of their grandeur, Spain was rapidly falling from that station which once rendered her the terror of the world. It is remarkable, that the eighteenth century, which has witnessed the gradual revival of commercial prosperity and political wisdom in Spain, should have been marked by the decline of Holland, both in wealth and independence.

In the natural circumstances of their colonial possessions, and in the policy which has regulated their conduct towards their colonies, the two nations still present the same remarkable contrast. The territories of Spain on the continent of America are far more extensive, and infinitely richer in every resource of natural wealth, than those of any other European power. Holland possesses the most limited portion of that continent, under all the disadvantages of the worst climate and most difficult soil. In the West Indian Archipelago, the largest and most fertile islands belong to Spain: while Holland

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has only two bare rocks, utterly unfit for cultivation, if they were of unbounded extent; and so small, that they could derive little or no advantage from infinite fertility. While the Spanish government has uniformly turned the attention of its subjects to the least profitable pursuits, stunted their industry by every species of impolitic oppression, and exhibited in its colonial measures the most glaring instances of injustice and blindness, the colonial history of the Dutch has presented the fewest examples of illiberality and tyranny, with almost all the specimens of sound and enlightened policy which are to be found in the annals of the New World. It has thus happened, in the colonial as in the European system, that a few barren and marshy acres of unhealthy territory have rewarded the invincible industry of the Hollander with greater wealth, more extensive political influence, and a larger share of private happiness, than the indolent, oppressed, and needy Spaniard has derived from a domain of greater extent, and of infinitely larger resources than the whole continent of Europe.

A country so rich in territory as Spain, with a population so limited in proportion to its extent, is evidently independent of colonial possessions. All the industry, skill, and capital of the natives, may find ample employment in raising,

ing, manufacturing, and circulating the produce of the soil, or in exchanging the superfluous part of that produce for the commodities which abound in other countries. The Spaniards are neither obliged to have recourse to the carrying trade, nor the fisheries, nor the occupation of brokers, nor the employment of capital in foreign agriculture and manufactures, nor the extension of trade and husbandry which the acquisition of new and distant provinces affords. Until the peninsula is as much improved as it is possible to improve a hundred and fifty thousand square miles of rich and various soil; until its inhabitants are as numerous as this soil can support—as skillful and as industrious as the natives of Holland; colonial establishments will never form so important an object of attention to a wise government entrusted with the management of Spanish affairs, as we have seen that such establishments necessarily present to the government of Holland. Accordingly, if it were possible by an edict to mould the tastes and designs of men, it would be of infinite advantage to the Spaniards at once to reform all their domestic abuses, relinquish their colonial dominions, and apply themselves vigorously to the cultivation of their European dominions. But then, if we are to wish, let us build ourselves the strongest and

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choicest castles; let us fancy edicts equally possible, which may at once regenerate Spain and improve her colonies. As, however, we are now engaged in a practical inquiry, it may be more useful to reflect, that the love of foreign trade, and of distant adventures, springs up in every community long before the land, manufactures, and home trade are sufficiently improved; and since it is in vain to think of checking or directing this taste, a wise legislator will consider how it may be rendered subservient to the general interests of the state, to the increase of the imperial resources, that is, of the domestic and colonial prosperity. However unnecessary the extension of the home market may be to a country which, independent of all colonies, possesses within itself, from the great variety of its territories and productions, a very large home market, no one will deny, that every acquisition which increases this home market is a benefit to the whole empire. However unnecessary the multiplication of demands for raw produce and manufactures, in the distant provinces, may be to promote the raising of the one and preparation of the other, when the demands of the contiguous provinces are sufficient to excite much more industry, and reward far greater skill than have ever appeared in the peninsula, surely it cannot be affirmed

firmed that the cessation of the demands which arise from the colonies, would create a greater alacrity to furnish the supply, or that the industry and skill which the united demands of the remote and contiguous provinces have failed to call forth, would be set in motion by the demands of the contiguous provinces alone. However little the government of Spain has made of the noble resources which the finest territories, both in Europe and America, place within its reach, we cannot suppose that, if Cortez and Pizarro had never conquered, more would have been made of the European dominions alone, although without doubt much more might have been made of any one province in either part of the world, than has actually been made of the whole empire.

To deny, then, that Spain has received very great benefits from her colonial possessions, appears, even upon a general view of the subject, extremely absurd. Yet many enlightened men have gone still farther, and maintained, that the downfall of the Spanish power has, in a great measure, been owing to the extension of dominion which followed the discovery of America. This is one of those vague topics which we may easily expect to find adopted by declaimers and speculatists. But, unfortunately, that class of writers have received some countenance

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nance from the remarks of the philosophical and sober-minded author of the Wealth of Nations. ' That the monopoly ' he observes, ' of ' the trade of populous and thriving colonies is ' not alone sufficient to establish, or even to ' maintain manufactures in any country, the ' examples of Spain and Portugal sufficiently ' demonstrate. Spain and Portugal were manufacturing countries before they had any ' considerable colonies. Since they had the ' richest and most fertile in the world, they have ' both ceased to be so. ' * The tenor of this remark, indeed, is confined to the statement of a fact, which cannot be denied, that the period of the decline which the Spanish and Portuguese manufactures have experienced, coincided with the period of the Spanish and Portuguese colonial greatness. But, besides that the statement is given in such a manner as to imply some connexion between the two circumstances, the whole argument which precedes and follows this remark, and of which this remark itself forms a part, proceeds upon a view of the subject formerly † discussed, that colonial monopolies in general have been hurtful, from their effects on the wealth of the mother country. Thus, instead of making the very obvious distinction

* Book IV. chap. VII.

† Sect. II. Part II.

distinction between the Spanish and British colonial monopolies, (which are in fact as completely different from each other, as if they were known by different appellations), Dr Smith argues upon the same principles against both; concluding that they have differed only in the degree of their mischiefs, and that the effects of the one counterbalance, while those of the other are counterbalanced by, the natural advantages of the colonial trade. I have endeavoured to shew, in the Second Section of this Book, that the general arguments of Dr Smith apply not only to the monopoly, but to the colony trade itself. The diversity in the effects of the Spanish and British systems of monopoly, must be deduced from the different natures of those systems. The connexion which Dr Smith only insinuates between the decline of Spain and the influence of her colonial acquisitions, is by almost all other writers upon Spanish affairs broadly affirmed. *

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Let us inquire, then, in what manner the prosperity of Spain has been influenced by the discovery of America; whether the acquisition of rich and extensive colonies can be charged with having caused the decline of the mother country; whether, in short, any bad consequence whatever is imputable to this augmentation of empire.

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 I. The only evil which can arise from the immoderate extension of territory, is the neglect of the territory formerly possessed. It may so happen, that the government prefers the care and improvement of the new dominion to the attentive management of the old; that the interests of the two possessions are irreconcilable, and that the one is sacrificed to the other; or that the administration of the whole is too vast for a single dynasty, and that both are neglected. In some, perhaps in all of those ways, Spain itself, and Portugal, have severely suffered. The dominion of the House of Austria over Spain during the sixteenth and seventeenth centuries, and over Portugal previous to the revolution of 1640, was marked with manifold proofs, that an empire may be too extensive for the prosperity of any of its parts. ✓

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 But from the nature of colonial power, it is seldom, if ever, that any such consequences can arise to the mother country from the possession of the most widely-spread colonial dominions. The extension of the colonies may be hurtful to their prosperity, in the very same way that the extension of the contiguous provinces may be hurtful to the interests of the mother country. ✓ But as all colonies, of whatever magnitude, must be ruled by a delegated power, and as the task of government must thus be subdivided,

vided, it is impossible that the administration of the colony can ever clash with that of the mother country; and I have formerly examined the probability of their other interests ever interfering. However ruinous, then, the existence of an unwieldy colonial empire may prove to the parts that compose it, that is, to the colonies, the acquisition of such an empire can never injure the mother country; and, in the case of Spain, whatever neglect there may have been in the management both of the mother country and the colonies, it is evident, that the maladministration of both those parts of the empire must have arisen from other causes than their being united under one crown. The Council of the Indies has, from the beginning, had the whole superintendance of American affairs, assisted by the Casa de Contratacion in matters of trade. It is absurd to suppose that the Sovereign's attention, or the attention of his ministers, is distracted from the other deliberations of his cabinet, by their duty in the colonial councils. All the measures discussed there, must of necessity be extremely general. The viceroys and audiences are entrusted with the details of executive administration, those parts of public duty which can alone engross the attention of a government. The affairs of the other colonies, in themselves very limited,

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were formerly managed by the council of the Indies and the Casa : they are now subject, partly to the council, partly to an exclusive company. ✓

However ill, therefore, the colonies may be governed, either in consequence of their unwieldy size, or from other causes, the mother country cannot be supposed to suffer in her administration from any of those circumstances ; and, defective as her government may be, it is difficult to perceive how it would be improved by the loss of America and the Philippines. The argument, then, which is adduced against the Spanish colonies, from the unwieldy size of the ✓ whole empire, appears, when examined with the slightest attention, to have no sort of weight. ✓ It consists, like many other general assertions in politics, entirely of propositions couched in founding words, and proceeding on false analogies. If there is any truth in the general observations which have been made in the First Section of this Inquiry, those colonies may be ✓ highly advantageous to Spain in a political point of view, notwithstanding the great, and at present useless extent of all the Spanish provinces.

2. The vast outlet to population which the Spanish colonies afford, has been thought by many to be detrimental to the mother country. The population of Spain is said to have been drained,

drained, by the demands and temptations for men which the colonies afford. A little reflection will convince us how absurd all such fears are, even admitting that every person who removes his permanent residence from the contiguous to the remote provinces, is lost to the mother country.

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The emigrations of the Spaniards have never been great and sudden. At the first discovery of the New World, the spirit of adventure was indeed excited, and led considerable numbers to those regions where gold and silver were supposed to abound. This description of persons, however, neither formed a very great nor a very valuable part of the community in the parent state. As the expence of the voyage was in itself considerable, and as the restraints laid upon the intercourse between the Old and New World rendered that expence much greater, it is obvious that the bulk of the industrious Spaniards were excluded from any share in American adventures. The nature of the pursuits, too, which were expected to load every emigrant with gold, was such as could not tempt common labourers or artizans. It was not, as in North America, by the cultivation of cheap and fertile land, or the gaining of high wages, that the adventurer in Peru and Mexico expected to enrich himself. All kinds
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of ordinary toil were despised in those native regions of the precious metals. Conquest or plunder, and mining, were the only ways in which the Spanish emigrants would condescend to acquire wealth. The two classes of people, then, whom such prospects could draw to America, were the nobles and soldiers of fortune, and the men of considerable property. Both of these classes, of course, carried over in their train a few of the lower and more industrious orders of the community; but this blank in the valuable part of the population would be easily and speedily supplied. All the conquests of the Spanish in America were rapidly effected. It required but a handful of men either to make or to retain them. The spirit of gold-finding was of longer duration, and more extensive influence. But neither the one nor the other of these temptations could draw over many, besides the nobles and hidalgos, who deigned in the colonies to exert a little regular industry, and to gratify their spirit of adventure; while in Spain their lives had been devoted to indolence or field sports, and their adventurous spirit had only tended to support the evils of war, or the follies of chivalry.

But the drain of emigration thus caused by the colonies, has not only been confined to one part of the Spanish population; it has been confined

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fin'd to the population in one part of Spain. The natives of maritime provinces naturally take a part in those adventures, of which the scene is laid at a great distance from home. The inhabitants of inland districts seldom shift about, even to the contiguous provinces, and scarcely ever think of trying their fortune beyond seas. * The policy of the Spanish court, too, by confining for many ages the American trade to a single town, and afterwards to one town in each province, has tended to confine the emigration still farther. The parts of Spain which have supplied America with hands, have chiefly, if not entirely, been the trading towns engaged in colonial commerce; Corunna, Bilboa, Seville, Cadiz, Malaga, Carthagen, and Barcelona. Yet these are unquestionably the most flourishing and populous cities of the peninsula; nor can we in anywise suspect that they have increased at the expence of the surrounding districts, for the produce and labour of which they furnish so constant a demand.

It would be impossible to calculate, with tolerable precision, the amount of the emigration which has at different times taken place to America from the provinces of the mother country: yet from the *data* in our possession, it is not possible to estimate this very high. In

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the *first* place, we are told by Spanish historians, that the rage for emigration to America was so much abated in a short time after the discovery, chiefly by the ruin of many who had flocked thither at first, that in the year 1550 there were not above fifteen thousand Spaniards in all the New World. *Secondly*, Dr Franklin, in 1751, calculated that the population of North America was one million of English inhabitants; and that not above eighty thousand had been brought from the mother country, during the period which had elapsed from the first settlement. *

If we adopt Dr Robertson's estimate of the population of Spanish America in 1777, we shall have five hundred thousand for the number of the Spaniards, both Creoles and Chapetones, and one million for the number of the mixed breed in New Spain: and as he states the whole population of Peru and Mexico, exclusive of the Indians, at three millions, supposing the same proportion of one third here also to be Spaniards, we have one million of Spaniards in all Mexico and Peru. Paraguáy and Chili, contain very few Europeans; and indeed the latter is probably comprehended under Peru in the foregoing estimate. † The new kingdom
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* Thoughts on the Peopling of New Countries, § 22.

† History of America, vol. II. p. 496.

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of Grenada is also thinly peopled; and if we allow all the islands and other settlements, not enumerated in Dr Robertson's estimate, to contain five hundred thousand Spaniards, we surely much exceed the truth. If then, of this one million five hundred thousand Spaniards we were to take two twenty-fifth parts, (according to Franklin's proportion), we should conclude, that not above one hundred and twenty thousand had ever emigrated from Old to New Spain. Supposing, however, that the progress of population in North America has been much more rapid than in the Spanish settlements—allowing that it is above four times greater in proportion to the increase by accession of new hands, we have still only five hundred thousand for the amount of the numbers who have emigrated to the Spanish colonies, during a period of three centuries. Had all these persons belonged to every rank in life—to the industrious and skilful as well as idle and dissipated orders of the community; and had this blank in the Spanish population been made during one war, or within a single year, as by pestilence and famine, instead of being spread over three hundred years, can any one believe that the remaining four millions and a half of inhabitants would not have been sufficient to repair the loss of wealth and numbers in a few short seasons? Those

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who have read the history either of China or Indostan, must be convinced that an industrious people can easily repair far greater losses, though these happen as suddenly as I have now supposed. But such a trifling number of inhabitants, subtracted from the mass of the Spanish population, during so long a period as has elapsed since the discovery of the colonies, can evidently produce no bad effect whatever upon the resources of the parent state. Besides, it should be recollected that a considerable part of the emigrants return again to the mother country, in consequence of the circumstances which I have already pointed out, as peculiar to the Spanish and Portuguese settlements.* Those, too, who leave the peninsula altogether, contribute to encourage its industry, and promote its population, at least as much as if they removed from the country to the towns. This must happen in every community; but more especially in Spain, where those chiefly emigrate to the colonies who would have been idle and useless at home.

The supposed effects of the colonies, then, in draining the Spanish population, are wholly inadequate to account for the decline of the Spanish resources, and the slow progress of the Spanish population. We must still look for
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some other causes to explain this political phenomenon.

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To imagine that the capital which has been drawn to the colonial agriculture and mining, can have impoverished the mother country in any considerable degree, is as chimerical as to suppose that the colonial emigration can have drained her population. It is indeed true, that mining projects are in general the most hazardous, and therefore upon the whole the most expensive employments of stock. But surely, if all the stock, employed in the mines of the New World, be diminished by the immense returns which have been received from thence, it will be difficult to estimate the balance at so great a sum as would justify us in ascribing to this loss the evils complained of. The greater part of the capitals employed in excavating the mines of Mexico and Peru, have been amassed in the colonies; and most of those which have been transferred from the mother country, and vested in colonial speculations, would have been sunk in the extensive and unproductive luxuries of the country gentleman or the court grandee. We may form some judgment of the loss experienced by the Spanish agriculture and manufactures, in consequence of the mining projects of the capitalists who have removed to the colonies, if we consider how unprofitably the remaining capitalists have continued to employ their stock at

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home. Whatever may have been the amount of the stock transferred, and sacrificed to the mining projects of the colonies, the same spirit of adventure, the same industry, and the same skill must have continued to direct the stockholders who remained at home, as if no capital had ever been removed; or rather, if the shifting was great, a variety of additional temptations would be presented to animate the exertions of those capitalists who did not join the crowd. Their property would be more valuable, the premiums of employment would be higher, the blank occasioned by the stock withdrawn would leave various lines of profitable employment empty; and if men had been at all inclined to gain, they would soon have filled up this blank, by the accumulation of profits on the capital that remained. Supposing all the capital employed in the unprofitable but tempting speculations of the colonies, to have been lost without any recompense, the capital which remained was surely sufficient to carry on the improvement of Spain. The extent of the loss never could be very great. The rage for gold-finding did not ruin large numbers after the first heat had subsided; and, at all times subsequent to the period of the conquest, those persons who have engaged in the lottery of the mines have been Colonists, not Spaniards; and the colonies, not the mother country, have been
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been the sufferers by the possession of mines. A proneness to speculation of any sort has never, since the first years of the American discovery, much distinguished that people; nor can we suppose that if no Spaniards had ever emigrated to Mexico and Peru, the love of adventure would have been retained in the peninsula. It is to other causes than the emigration either of inhabitants or of capitals, that we must ascribe the depopulation, the indolence, and the poverty of Spain.

3. Perhaps the most remarkable events that strike us in the history of Spain, are the various sudden and extensive shocks which the population has, at different times, received. But in considering the permanent effects of these upon the stability or progress of the nation, we must carefully distinguish between such as have happened from natural causes, and such as have been brought about by political folly or oppression. It will be found that the former occasioned blanks which could easily have been filled up, had not the evil been extended in a different direction, as well as a more fatal degree by the latter. Few countries, indeed, have suffered more from epidemical and contagious diseases than Spain. The plague which raged during three years in the middle of the fourteenth century, carried off two thirds of the

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whole population of the peninsula. About three centuries afterwards, two hundred thousand persons perished in the southern provinces, which are indeed scarcely ever free from intermittent and putrid fevers. Famine has repeatedly ravaged the country; and the evils of dearth have often been turned into the horrors of famine by the absurd laws which, until the middle of the eighteenth century, hampered, or rather destroyed the internal commerce of grain. But all these causes, even the last, which is infinitely the most important, because the most constant and general, would of themselves have been inadequate to check the improvement, or hasten the downfall of the state. Long after the desolations of the great plague, Spain was the most powerful and wealthy country of Europe. The subsequent topical losses of population, were wholly inadequate to change her place in the system; and the restrictions upon the internal commerce of grain, however ruinous, * were not peculiar to Spain. Indeed they

* We may form some notion of the evils occasioned by this absurd policy, from a fact related in the travels of Mr Willoughby, about the middle of the seventeenth century. He tells us, that in the course of a single day's journey (twenty miles), the price of bread was frequently trebled. *Harris's Collection, vol. II. p. 702.* The same traveller relates,

they were relaxed, and then abolished, sooner in Spain than in France. The great and sudden losses, however, which the population of the country experienced from the cruelty and folly of her princes, deserve to be enumerated among the causes of her decline.

The descendants of the Gothic nations in the peninsula did not addict themselves to the arts of peaceful industry. After the Arabian conquest, the skill, the elegance, and the persevering labour of the oriental nations, was spread over the conquered province, and raised its refinement and opulence to a height which no other European nation, for many ages, attained. The splendid descriptions of the elegance and luxury that reigned over all Spain during this happy period, and the magnificent accounts of the population and strength of the kingdom, though perhaps somewhat exaggerated, nevertheless decisively evince the degree of improvement for which the country was indebted to the Moorish conquerors. During the Saracen dynasty, however, and still more after its downfall, the industry and skill of the nation was confined to the inhabitants

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lates, that a riot having happened in Madrid on account of dearth, the communication was opened with the neighbouring provinces, and the price instantly fell below the ordinary rate. *Id. ibid.*

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of the Moorish race. They monopolized all the branches of manufacture, and all the finer arts. The internal trade of the kingdom, the business of circulating its commodities, together with the greater part of the foreign commerce, was in the hands of another stranger race—the Jews. The Gothic and Roman, or, as they are called, the Spanish inhabitants of the peninsula, devoted before the Saracen invasion to the barbarism and military pursuits of the feudal times, were held by their conquerors in a state of ignominious subjection, and employed only in the duties of mercenary warfare, or the most servile occupations of peace. After they had succeeded in overthrowing the Moorish power, they deemed the skilful and industrious vocations of those men inglorious toils or irksome restraints; and they applied themselves still less to the pedlar occupations of a race still more despised.

The cruel and insane policy of Ferdinand, then, who, in gratitude to God for the successes of his arms, expelled from his dominions the whole tribe of Israel; the still more bloody and impolitic measures of his successor, who, about a century afterwards, drove out all the Moorish race; and the constant persecutions and rebellions of those two classes during the interval between the great and general expulsions, produced exactly the

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the effect of suddenly rooting out from the kingdom all the industry and skill which had raised it to such a pitch of opulence and glory. The number of the Jews who were in one year (1492) butchered or driven out, is reckoned by some authors at eight hundred thousand persons; by others at eight hundred thousand families: and the number of the Moors driven away by the edict of 1609, cannot be computed at less than a million. The best informed writers seem to agree, that at those two periods, and by the various auxiliary measures adopted with the same views during the interval, between two and three millions of persons were totally lost to the monarchy. The policy of Portugal keeping exact pace with that of Spain, refused an asylum to the persecuted nations, and at once prevented every corner of the peninsula from continuing to reap the benefits of their ingenuity and labour. Now,

It is not so much the numbers, as the qualifications of these two or three millions of men, that we are to consider. The calamity did not fall, like famine and pestilence, upon all the people equally, but upon one peculiar tribe or class. Spain did not lose from her population a certain aliquot part; she at once lost almost the whole of the most valuable part. She lost not a great part of her

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Some of both classes, indeed, remained scattered over the peninsula, but in such a state of oppression and persecution as must effectually have damped every effort of genius and application. The effects of the edicts, then, were not confined to the two or three millions totally expelled or butchered ; they extended also to the remainder of those numerous classes who continued in the country, and whose exertions were systematically paralyzed by the cruel bigotry of the new government.

We have no mode of forming an accurate estimate of the immediate consequences of the Jewish and Morisco persecutions. But it is enough to compare the wealth and population of the principal Spanish towns before and after those fatal events. We cannot doubt to what cause so marked a difference must be ascribed. The great proportion, too, of idle persons to the whole useful population of modern Spain, may give us some idea of the loss which she sustained by the expulsion of all the industry

industry and skill of the country. By the enumeration of 1768, there were above one million two hundred thousand idle gentlemen, nobles, and religious persons, with their domestics, and two millions two hundred thousand of labourers, artists, and manufacturers of all sorts.

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To this day, the agriculture of the fine provinces on the Mediterranean, the most delightful and fertile territory in Europe, where the Moors chiefly were settled, where they displayed the powers of industry and the lights of civilization, is carried on, not by the indolent and ignorant inhabitants, but by the natives of the northern provinces, which did not suffer so much by the persecution. All over the provinces bordering on the Pyrenees, a multitude of foreigners, chiefly French, resident for a time, are occupied in the pursuits of agriculture and the more trifling arts; and, in most of the sea-port towns, a great proportion of the trade is in the hands of strangers*.

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* Bourgoing, *Tableau de l'Espagne Moderne*, tom. I. p. 169.—Townsend's *Travels*, II. 212. 216. III. 74.—Swinburne's *Travels*, p. 168. 218. & 286. 4to. edit.—Mirabeau, *Monarchie Prussienne*, tom. I. p. 23. (note).—Boëtticher's *Statist. Tab. No. XVIII.*—Dillon's *Travels*, p. 132. 8vo. edit.—Willoughby, apud Harris's *Collection*, II. 704.—Murphy's *Portugal*, p. 222.—Southey's *Letters*, p. 180.—Tucker on *Trade*, p. 26.—*Commerce* (*Encyc. Method.*) III. 95.—*Econ. Polit. & Diplom.* (*ibid.*) II. 315.

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4. I have already mentioned one species of impolitic restraint which has certainly contributed much to check the improvement of Spain, although it is not peculiar to the political history of that country—the restrictions upon the internal circulation of grain. To this may be added the absurd regulations of Philip II. appointing the Magistrates all over the provinces of Castile to fix the prices of every commodity. Before his time, the old law of Alonzo had only regulated the prices of manufactures. But there are other circumstances, of still greater consequence, peculiar to the œconomy of Spain. It is sufficient to mention the singular state of the finances, and the mode of collecting the revenue, equally impolitic and unjust, which has long prevailed in that kingdom.

The principal sources of the national income, are the general and the provincial revenues. Of the different branches which compose these divisions, there is scarcely a single one that is not in its nature ruinous to the trade, manufactures, and agriculture of the country, as well as to the comfort and happiness of the whole people. The chief branch of the general revenues, for instance, is the *almajorifazgo*, or universal impost upon exportation and imports. This duty varies in almost every province. In
Catalonia,

Catalonia, it is only four *per cent.*; in Navarre, it is five *per cent.* on imports, and three and a half on exports; in the greater number of provinces, it may be averaged at fifteen *per cent.* It has been successively augmented when it ought to have been relaxed; it is gathered by a multitude of persons, whose salaries are so inadequate that they must be supported by corrupt measures; it is laid on with exemplary inequality; and, after vexing and harassing the whole trade of the kingdom, it produced to the government, before the reforms, a net revenue of only four hundred thousand pounds Sterling by farm.

But the provincial revenue is infinitely more oppressive and detrimental. I shall only specify the three principal branches—the *millones*, *services*, and *alcavala*.

The *millones* is an excise upon almost all the prime necessaries of life, established by Philip II. in 1590. It is collected either by an expensive multitude of officers, or still more oppressively, though at less cost, by the method of *encabezamientos*. This consists in agreements or compositions made by the different municipalities with the government, and fulfilled by the most arbitrary assessment or division of the burthens. The magistrates of the district establish public magazines, at which all the taxed commodities

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commodities must be purchased; and those who are found to have in their possession any such articles not obtained from the magazines, are harassed with the most oppressive prosecutions. This is a tax of which the vexations must, from their nature, fall chiefly upon the lower ranks of the people.

The *services*, first laid on by Philip III, are taxes in the style of a capitation, imposed upon the commoners only, and fixed in the most arbitrary manner by the magistrate of the district, according to his estimate of each individual's wealth.

But of all the imposts levied in this or any other country, the famous one known by the name of *alcavala y cientos*, is the most ruinous and oppressive. It is a heavy duty upon every contract of sale which takes place, whatever be the nature or value of the commodity transferred by the bargain. This eminently injurious burthen falls more immediately upon every species of industry, than any other that the wit of statesmen has ever devised. It would perhaps be impossible to invent a more effectual and compendious method of stunting the growth of national opulence, and of destroying the comforts of business and private life. The *alcavala* was first known in the fourteenth century, and amounted then to a twentieth part of the value of the goods
fold.

It was soon after raised to a tenth ; and, in the seventeenth century, it received four several additions, amounting in all to a twenty-fifth. The total amount of the impost, then, is fourteen *per cent.* ; but various grants of privileges and exemptions to different provinces, have varied the weight of the burthen : and the average is said to be six or seven *per cent.* The expence of collecting this ruinous and palpably absurd tax, is enormous ; and the discretionary powers necessarily entrusted to the gatherers, are in the highest degree oppressive. Its fatal consequences to trade, manufactures, and agriculture, may be perceived in the flourishing state of Catalonia, and the provinces of Arragon, which, by means of a moderate composition, have been free from the alcavala, since the reign of Philip V.

These provincial taxes and duties, together with all the others that compose this class, did not produce, in the middle of the eighteenth century, during the existence of the farms, above nine hundred thousand pounds Sterling of clear revenue ; and the number of the farmers, with their servants, exceeded one hundred thousand.

Besides the revenues, general and provincial, the Royal monopolies present a most destructive check to the industry and comfort of

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the nation, without producing any profit to the Crown. These ruinous and oppressive schemes are indeed known in other countries as well as in Spain. Russia, for example, and still more Prussia, are subject to this financial curse in an eminent degree; but Spain far exceeds even Prussia in the evils of a system equally short-sighted and vexatious.

Brandy, cards, lead, saltpetre, sulphur, gunpowder, sealing wax, quicksilver, but above all, salt and tobacco, are comprehended in the circle of the Crown's rigorous monopoly. The extent of these grievances may be imagined from the extent of the consequence which always follows from such laws—illicit trade. In the forests of the southern provinces, the smugglers travel in bodies of several hundreds, well armed and mounted, sometimes provided with a field-piece. When tobacco, by means of the monopoly, was suddenly raised in price, the numbers of the illicit traders in the article, increased twenty fold; and the officers employed to collect the duty on this commodity alone, were increased eighteen thousand in number (besides the military, whose assistance they received), all so ill paid, that it was absolutely impossible for them to live without bribery. *

All

* *Memoires concernant les Impositions & les Droits*, tom. I. p. 455. et seqq. 4to.—Bourgoing, *Tableau de l'Espagne*

All these oppressive and unproductive kinds of revenue, have fallen upon the people chiefly since the reign of Charles V. Most of them were imposed during the reign of Philip II. The alcavala was augmented four times during the seventeenth century. Many of the monopolies were unknown, and none of them were oppressive, in the best days of the monarchy. Although the greatest of those evils, the original alcavala, existed then, it was probably neither enforced with much severity, nor calculated to produce fatal effects during the infancy of commerce. At any rate, the industry and art of the Saracens prevented its tendency from being so fatal as it immediately became when that industry and skill, together with the assiduous labour of the Jews, was torn from the community.

It happened unfortunately for Spain, that the greater part of the evils which we have

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been

P'Espagne Moderne, tom. II. p. 1. & seqq.—Campomanes, *Educ. Popular*. App. I. p. 347. 418. & IV. 64.—Smith's *Wealth of Nations*, book V. chap. II.—Townsend's *Travels*, II. 168. & seqq. 219. 283. ; III. 47. 52.—Ferberonnois, *Considerations sur les Finances de l'Espagne*, p. 30. et seqq.—*Finances* (*Encyc. Method.*) II. 67.

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been considering, began to be felt about the same time, and that, to their influence was added, the injurious effects of the most impolitic system of government which ever cursed a civilized nation—the administration of Philip the Second. His long and expensive wars, more particularly the contest which he carried on for so many years with the Low Countries, and his violent and imprudent measures of domestic policy, although at a happier period of Spanish history they might not have exercised a lasting influence upon the national prosperity, were sufficient to aggravate the other more extensive calamities with which they concurred, and to render the burthenfome system of finance to which they gave rise, the source of irretrievable ruin to the fortunes of Spain. The connexion of the Spanish with the Austrian dominions, indeed, was for two centuries a union most injurious to the former. So lasting an evil might almost be ranked among the radical causes of the decline which the affairs of Spain have undergone. At the end of the Austrian dynasty, the Netherlands were justly and forcibly compared by a celebrated orator, well versed in Spanish politics, to a fistulous wound in the body of the monarchy, constantly drawing off the alimentary juices which the system secreted

creted.* And although no other cause of change could have been pointed out, the event could scarcely have been deemed anomalous, after so many instances have occurred of nations experiencing a total reverse of fortune, when the seat of their government, or the attention and care of their rulers, was removed to some new quarter, and when that which was formerly the body of the empire, became a subordinate appendage, or its interests a secondary consideration with the rulers.

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5. The circumstances which I have enumerated, began to operate almost altogether at the period of the greatest prosperity to which Spain has ever reached; and they unquestionably have brought about the singular reverse of fortune which she has since exhibited. But there are several other circumstances highly deserving of attention, as peculiar to this country, and calculated, in a very great degree, to retard her improvement, although they began to operate a considerable time before the age of Charles V. and Philip II.; for these causes, though in themselves inadequate to produce the ruin of the nation, certainly contributed to render the others fatal.

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The

* Fletcher of Salton's Discourse concerning the Affairs of Spain,

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The effects of the great plague in thinning the population of the country, do not, as I have already remarked, deserve much attention. But that calamity prepared the way for certain political evils, the influence of which is severely felt at this day. When a vast proportion of the inhabitants were suddenly swept away, and a great part of the villages wholly depopulated, the survivors obtained possession of great, and, to them, useless shares of waste land. The common pasture grounds of several villages and towns were united under the domain of one village or town, and became public inalienable property. Hence, the great extent of commons all over the finest provinces of the peninsula. Many towns in Andalusia possess circuits of eighteen leagues, or lands of two hundred thousand acres, almost all in pasture or waste, and almost all capable of the highest cultivation. Villages, with territories of fourteen leagues in circumference, are nothing uncommon in many other parts of the kingdom. About the same period, the grandees obtained enormous grants of land: These, consolidated by intermarriages, and secured in the same families by rigid entails, form great hereditary scenes of desolation, diversified by a few splendid mansions thinly scattered over the extensive waste.

The

The depopulation caused by the plague, afforded to the numerous and wealthy proprietors of flocks an opportunity of obtaining the celebrated code of laws, known by the name of '*Mesta*;' a grant of privileges the most inconsistent with the common principles of justice, of any that the partial and impolitic liberality of princes ever lavished upon favoured orders of subjects. Ancient usage, derived in all probability from pastoral times, had sanctioned the claim to these destructive indulgences; and at the very time when legal measures ought to have abolished the custom, the Royal authority recognised, and rendered it perpetual. The proprietors of flocks in the northern provinces have, by this law, an undoubted right to drive them through the kingdoms of Castile and Leon to the provinces of Estremadura and Andalusia for winter pasture. On their way, these flocks have the free use of all the common or unenclosed lands, which we have just seen are very extensive; and no enclosures can be made in the two tracks through which they pass, without leaving a space of ninety yards wide for their accommodation. Nay, even in the best cultivated districts, their pasture is fixed at a very low price; they have the use of all the olive grounds, and the shepherds have certain privileges of wood-cutting.

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The numbers of the sheep have varied at different times: they amounted in the sixteenth century to seven millions: at present, they are about five millions. All these animals, with above twenty-five thousand attendants, the same number of dogs, and a considerable number of horses, during forty days, twice a year, ravage, by law, the finest provinces of Spain. The consequences of such a grievous calamity are distinctly observable in the contrast which the provinces exempt from its influence exhibit to those where it subsists. Estremadura, which contains two thousand square leagues of the finest land, and could easily support a population of two millions; had not (when Ustaritz wrote) above two hundred and forty thousand inhabitants; while Galicia, which contains only sixteen hundred square leagues of very inferior territory, supported a population of one million. In the times of the Saracens, Estremadura was a perfect garden, enjoying at once all the advantages of skilful cultivation, and protection from the ravages of the Merino flocks. At the present day, all the provinces which are subject to the *mesta*, Leon, Castile, Estremadura, and Andalusia, present a dismal picture of its consequences; and the agriculture of Spain is chiefly confined to those districts where the want of this grand evil counterbalances

terbalances all the natural disadvantages of unfavourable climate and bad soil. Catalonia, the most industrious, wealthy, and cultivated part of the whole peninsula, is neither subject to the *alcavala*; nor the law of Philip II. for the regulation of prices; nor the evils arising from the restraints under which landlords labour in other provinces, and from the insecurity of tenants; nor, finally, to the *mesta*. *

Such have been the effects of this barbarous relique of the pastoral state; effects which all men of sense in Spain have clearly perceived, and which many great writers and wits, from Cervantes to Campomanes, have forcibly exposed to the government. The evil, however, is strongly supported by the great families and convents. Nothing else could have maintained its existence even in Spain; and in no other civilized country would even such support have been effectual.

6. The system of law and police has been worse in Spain than in any civilized nation of modern Europe. The security of property is less

* Ustaritz Teoria y Pratica.—Bourgoing, Tableau, I. 89. II. 276. & III. 268.—Swinburne's Travels, p. 286. 424. 4to.—Townsend's Travels, II. 61. 227. 284.; III. 328.—Dillon's Travels, p. 48. to 66.—Econ. Polit. & Diplom. (Encyc. Method.) II. 317.—Southey's Letters, p. 180.

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less firmly established ; the corruption of judicatures more frequent ; the privileges of municipal magistrates more extensive and more incompatible with freedom either of person or trade *. In no part of Europe have the injurious privileges of the nobles and landed proprietors remained so long in force ; in no part are the important officers of justice so necessarily corruptible from their station ; and in no part are the criminal laws so carelessly executed, even after the judge has done his duty †.

In comparison of these evils, the despotic nature of the government, and the tyrannical privileges of the Inquisition, are scarcely deserving of notice. The monastic institutions themselves, to which so much has been ascribed, are inadequate to produce the hundredth part of the evil which must necessarily flow to the national industry and wealth from any one of the fundamental defects which I have now pointed out in the system. These are evils to which all Europe was at one time subjected. In Spain, they have maintained their ground longer than any where else. The effects of this difference,

* The offices of the magistrates, in many of the chief towns, are hereditary.

† It is no uncommon thing to see a capital convict marry, and have a family in prison, after sentence of death has been passed upon him.

ence, together with the other peculiarities which I have enumerated, may easily be traced in the inferior wealth, industry, and population of the peninsula. *

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I think we may fairly conclude from these details, in the first place, that the conquest of America, and the acquisition of colonial dominions, has exerted no detrimental influence upon the prosperity of Spain; and in the second place, that the decline of this ancient and highly-favoured country can be easily accounted for, by attending to the events of her domestic story; events utterly unconnected with the fates of the distant provinces. To seek in the colonies for causes of national decay, when at home we meet with such a system of finance as the *alcavala*, *millones*, and *monopolies*; such a system of policy as that which expelled from the community all the valuable and useful part of the population, appointed magistrates to fix the price of all the produce of labour, and turned some of the finest provinces into waste lands, in order to fatten the flocks of a few rich proprietors; and such a system of government and police as the Austrian monarchs encouraged—argues a strange partiality for remote and roundabout explanation. To deny that the benefits of the colonial possessions have mitigated those bad effects, which the domestic policy

* Note U.

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licy of the state was by its nature so well calculated to produce, and have prevented Spain from losing all pretensions to a place of any consideration in the European system, would demonstrate a prejudiced ignorance both of colonial and European history.

The natural advantages of the Spanish colonial empire have indeed been abridged by every means which imagination could suggest. A policy has been adopted with respect to the colonies, if possible more iniquitous and absurd than that plan of domestic administration which we have been contemplating; and various injurious consequences have been made to flow from those rich dominions, sufficient in a great degree to counterbalance the benefits, which not even Spanish policy could altogether annihilate. We are now to consider the manner in which the mother country has contrived to receive as little advantage as possible from the finest colonial dominions that were ever possessed by any state; and we shall find, that the evils which have been supposed to result from the acquisition of those dominions, are strictly imputable to nothing but the system of management adopted by the Spanish rulers.

I. In common with all the other proprietors of colonial territories, the Spanish monarchs have

* have uniformly aimed at confining to their own subjects the whole benefits of commercial intercourse with those possessions. But they have gone a great deal farther in the system of monopoly than any of their neighbours. They have confined the colonial trade to particular classes of their own subjects, both in the mother country and in the colonies.

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Immediately after the first conquests were completed in America, the Emperor Charles allowed all his Castilian subjects to fit out vessels for trade with the new possessions from the chief ports of the kingdom, provided they returned to the port of Seville, under the penalties of death and confiscation. It is unnecessary to investigate the grounds of so absurd and impolitic a restriction. The natural consequences of its operation are abundantly evident. Seville immediately became the only emporium of American trade, and even the permission to clear out for the colonies from other ports was in a short time withdrawn. The opulence of the favoured city soon increased to so great a pitch, that the personal influence of its wealthy inhabitants was sufficient to prevent any new arrangement from taking place, until the river, becoming unfit for large vessels, the monopoly, formerly enjoyed by Seville, was transferred in 1720, with all its attendant

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ant circumstances of commercial splendour, to the city of Cadiz.

But the restrictive spirit of the Spanish councils in matters of trade, did not end here. When the concession of exclusive privileges has raised up in any state a peculiar body of men, whose interests are opposite to those of their fellow citizens, the duration of this evil tends only to increase its magnitude. The monopolists are constantly endeavouring to enlarge their privileges, and to draw the circle closer to which those privileges extend, while the wealth already acquired generally renders their influence sufficient to insure the success of their united endeavours. Thus, after the Cabinet of Madrid had enriched the inhabitants of Seville by a monopoly of the colonial trade, the way was paved for confining the emoluments of this traffic to a small class of those inhabitants. The wealthiest of the mercantile houses engaged in supplying America with European commodities, would naturally desire that this supply should be as scanty as possible, in order that the prices might be as high as possible, and the union of views and plans as complete. The crown, too, having always derived a direct revenue from the heavy imposts on the colony trade, was interested in confining the extent of the exportations, that

that the duties might be more easily levied. It was thought to have an interest in making the same amount of duties fall upon a small supply of goods, that the colonists might be made to pay the whole.

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The number of the galleons or vessels fitted out for the supply of Peru, Chili, and Terra Firma, was twenty-seven. They sailed only once a year for Portobello. The flota destined for the supply of Mexico and the northern provinces, consisted of about twenty-three ships, and sailed once in three years to Vera Cruz. No person was permitted to load goods in either of these fleets, without license from the *Casa de Contrataçion*, or House of Commerce, established at Seville in the beginning of the sixteenth century, and invested, not only with high judicial authority in all matters relating to the American trade, but also with the power of regulating the extent, assortment, and distribution of the periodical cargoes. No person was permitted to land any goods from the returning fleets, without a similar license granted by the same Board. Neither the galleons nor the flota could carry any foreigner to the colonies, nor even any Spaniard, without express permission. None of the vessels were allowed to break bulk before their arrival at the fixed ports of destination. The flota dared not
to

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to touch at any place in its passage to Vera Cruz, nor the galleons in their passage to Carthagena, which they were obliged to make in their route to Portobello. The King's duties were levied in the form of direct customs upon the goods exported, or of fees and dues for the licenses. Of the former, the most absurd was an impost established in 1720, and known by the name of *palmeo*. It was a substitute for the duty of twenty *per cent.* on the value of exports formerly raised with great rigour; and it consisted of a tonnage tax or impost upon the bulk of the commodities shipped, independent of their nature and value.

Another tax, of a nature singularly capricious and arbitrary, was the *indulto*, or duty upon the imported produce of the colonies. It was fixed anew by the government every time the fleets returned from America, and was adjusted by an estimate formed of the value of the cargoes, each vessel sending from the rendezvous at the Havannah, during the time that the fleets were waiting for convoy, an account of the goods with which she was laden. It is evident that all these regulations gave a few wealthy monopolists the whole profits of the American commerce, and enabled them to fix the prices at which all European commodities should be sold to the colonists. The crown, too,

✓ // too, thus possessed the power of regulating both the colonial market of European goods, and the Spanish market of colonial produce; for every tax imposed on the monopolists was immediately laid on the price of the goods exported and imported.

In this situation did the American trade continue, from the conquest till the middle of the eighteenth century. Seville and Cadiz alone, or rather a few rich merchants in those cities, profited by the oppressions of the colonists, and amassed such wealth as formed a striking contrast to the poverty of their countrymen, both in Europe and the colonies.

The same concurrence of ignorance and local interests which modelled the colonial trade into so pernicious a form, extended its effects to the distribution of the supply in America; and the restrictions imposed upon the mother country were easy and liberal, compared with the fetters to which the colonies were subjected. Not only were they prohibited, under capital penalties, from holding any communication whatever with foreigners, or with Spanish vessels not comprehended in the new periodical fleets; they were not allowed even to trade with one another. Peru could receive no supplies from Mexico or Terra Firma from the islands. The triennial supply of the flota could

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alone be distributed over the northern colonies. The annual supply of the galleons was peculiarly appropriated to the settlements in the South. No Spanish trader could interfere with the interior traffic of the colonies; nor could any colonist send his vessels, or embark his goods to Spain on his own account. The Spanish and colonial merchants were only permitted to meet at the stated periods in three points of the continent—Cartagena, Portobello, and Vera Cruz, and at Havanna, the rendezvous of all the expeditions previous to their return.

The industry of Spain, it is probable, could easily supply all the demands of the colonies in the earlier part of the sixteenth century; and the high profits of the colonial trade naturally drew every exertion of labour and skill into those channels which belonged to the American provinces. When the effects of the restrictive system began to be felt, a check was of course given to all the efforts which the colonial demand had called forth. At the same time, the various causes which I have already enumerated, as chiefly preparing the decline of Spain, concurred to curb the industry of the community; and the supply which the growing demands of the colonies required, could no longer be obtained in the mother country. Had the
American

American trade been left open to all Spain, there can be no doubt that its advantages would have tended greatly to counteract the effects of the domestic oppressions under which the country laboured. The restrictions, by checking the industry at first excited, during a period when other checks were daily multiplied by the wants and impolicy of the government, prevented the increase of Spanish supply, which the necessary increase of colonial demand required, in spite of all the endeavours of the monopolists, and constrained the colonies to depend on foreign supplies for satisfying the greater part of their wants. This was exactly what the government wished beyond every thing to avoid; and while the ability of the mother country to furnish the necessary goods was diminishing every day, the councils of the state were constantly occupied with devising measures for the exclusion of foreigners from all share even in the indirect emoluments of the colonial trade. In order to effect this, a variety of new and strict regulations against the importation of foreign goods were perpetually added to the prohibitory laws; for, unless the importation of such goods into the mother country was prevented, it was impossible to prevent their being re-exported to the colonies. As, however, all such restrictions only increased the inability of Spain to furnish the

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commodities required, it was necessary that the supply of the colonies should be still more limited than the interests of the monopolists would have required. Hence, the growth of the colonies received a new check; but still it was requisite that some foreign goods should be sent to South America. All these, therefore, were obliged to pass through the hands of the Seville, and afterwards of the Cadiz merchants, first loaded with the duties of importation, then with the export duties, and, after all, in a quantity infinitely too small for the occasion. The only profits of Spain upon this trade, being the commission and freight, with the King's duties; the Government, from absurd views of national advantage, used the power which it constantly retained over this trade, in raising those duties, contracting the supply, and favouring every endeavour of the monopolists to levy their profits upon the smallest possible exportation.

From this ruinous system have flowed consequences eminently injurious, both to the colonies and the mother country. Its immediate effects may be distinctly traced, in the exorbitant prices of all European articles in the Spanish colonies, the cheapness of all colonial produce in the country of its growth, and its dearness in the parent state. When Don Ant. d'Ulloa was in South America, the pound of iron sold at

Quito

Quito for about four shillings and sixpence, and the pound of steel for about six shillings and ninepence Sterling. Towards the end of last century, the tobacco of Varinas sold in Spain at four times its price in America, and, in other parts of Europe, at seven times that price. The gross profits upon other goods bought at Vera Cruz, were one hundred and seventy-five *per cent.* in the mother country, and two hundred and fifty *per cent.* abroad.

The enormous increase of contraband operations in every department of the colonial trade, was another inevitable consequence of the tyrannical system adopted by the Spanish government. When Spain could only furnish the twentieth part of the commodities required by her colonies, it became the interest, both of the colonists, and of those foreigners who supplied the remaining nineteen twentieths, to smuggle over as much as possible of this great proportion, in order to avoid the monopoly possessed by the Spanish merchants, and the duties imposed by the Crown. It became the interest of all the Spanish subjects, except the monopolists, to smuggle as much as possible of the small proportion drawn from Spain; and the scantiness of the supply afforded by the monopolists, made it the interest of the Spaniards, of foreigners, and of the colonists, to make up, by smuggling,

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gling, as great a proportion as possible of the deficiency. The enormous prices exacted for exports, and the high profits made upon imports by the monopolists, held out temptations sufficiently strong, to overcome the influence of all the penal laws which were perpetually added to the criminal code, with a view to prevent the contraband traffic. The extent of the evil thus in some measure operated its own remedy; and the supply of the colonies was in a certain degree accommodated to the demand, though still at a price raised both by the high risk, and the comparison of great profits yielded to the regular traders. Almost all the benefits of this contraband trade centred in foreign nations. The mutual convenience or necessities of the colonies and those traders, gave rise to a system of confidence, which at once proves the extent of the illicit trade, and the impolicy of the Spanish laws. The great expence which government incurred in attempting to prevent this traffic, was rendered fruitless, by the vast extent of the regions where it was carried on, as well as the powers of bribery which so beneficial a speculation conferred upon those engaged in it. Every resource of executive and legislative power was tried in vain: the spiritual thunders were even threatened. Still the smuggling increased. The English alone were supposed

posed to enjoy as large a share of the Spanish colonial commerce in the illicit way, as the authorised traders of the mother country; and the periodical supplies from the privileged port, instead of being, as formerly, far inferior to the demand, were now reduced to less than a sixth part of their former amount, by the competition of the contraband traders.

So palpable an evil seems at last to have roused the attention of government, after all the principles of justice and sound policy had repeatedly failed to excite any notice. When the commerce of Cadiz was transferred from Seville to Cadiz, one improvement had taken place in the method of taxing the exported goods. The *palmeo* had been substituted for the former duty of twenty *per cent*; and this new impost, however unequal and absurd in its nature, (as I have already remarked), was, upon the whole, less burthenfome. But, in 1740, an important innovation was introduced into the colonial trade—the permission of register ships, or separate equipments, destined for the supply of the American settlements, undertaken by individuals not concerned in the periodical fleets, and free to communicate with various ports of the colonies, formerly debarred from all direct intercourse with

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the mother country. This was the first symptom of wisdom in the Spanish mercantile policy; and nothing in the whole history of commercial affairs better deserves our attention, than the slow and small steps by which the government has developed this spirit of reformation. ✓

At first, the register ships were only allowed to sail from, and return to the port of Cadiz. It was not till eight years afterwards, that any equipments of this sort were permitted in the other Spanish ports. So great a change, however gradually effected, could not fail to be sensibly felt in the city whose monopoly was thus infringed. Numerous failures were the immediate consequence; and the government, returning to its usual cautious system, instantly abandoned the innovation, and restored to the favoured port the whole intercourse with America. The scheme of register ships was evidently attended with many of the disadvantages that had rendered the old plan of the galleons and flota so pernicious to the state, and so destructive even of its own existence. These vessels were large, and few in number: they were fitted out from a single port; and the government, by making the adventurers pay high for their license, imposed a heavy duty upon the exports which they conveyed.

1748

veyed. Accordingly, the contraband, though considerably checked by the advantages which this reform extended to the colonies, as well as to the traders of the mother country, was still kept up by the limited nature of the improvement, and continued to baffle every effort of the Spanish councils.

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But the trial which had been made between the years 1748 and 1754, and which had so much alarmed the monopolists, by preparing both this class of persons, and the government, with the nation at large, for a farther relaxation in the restrictive laws, enabled the enlightened statesmen, who, during the latter part of the eighteenth century, guided the movements of the Spanish government, to pursue the only practicable method of preventing the illicit commerce.

The year 1764, a memorable æra in the commercial annals of Spain, opened with the institution of a system of communication between the mother country and her colonies, which had hitherto been so much wanted, that Spain was actually indebted to foreign countries for intelligence about her own provincial affairs. The regular packet-boats, now first established, were destined to sail from Corugna, with letters, to the most important stations in Spanish America, and were permitted to carry on a considerable traffic at the same

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1755 ✓ same time. Their cargoes, however, were limited in extent; they could only load with Spanish produce; and they were obliged to sail from and return to the port of Corugna. The grand obstacle, however, being overcome, of encroaching upon the rights of the Cadiz traders, a more important extension of the change was quickly introduced. In the following year, the commerce of the windward colonies*, that is, of the Spanish West Indian islands, was laid open to almost all the principal ports in Spain. From these, every Spanish subject was permitted to trade in whatever manner he pleased with the Spanish Antilles, and to return to any port of the mother country. The *tonelada* and *palmeo* were commuted into a duty of six *per cent*, on the value of the exports, and the usual duties on importation. No license or warrant whatever, but the common customhouse clearances, was prescribed. In 1768, the colony of Louisiana was included in the former grant; and, in 1770, it was extended to Yacatan and Campeachy.

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* The words of the edict are, '*Barlo Vento*,' which has by many been mistaken for the Windward Islands of Trinidad and Margarite; whereas it clearly means all the colonies to windward of the Continent. - *Vide* Campomanes, Educ. Pop. tom. II. p. 37.

These concessions, although still imperfect, were evidently the dictates of a new system of political views; and it may be remarked, that their defects bear the marks of all the partial or moderate systems of monopoly*. The trade to the islands is confined to certain towns in the different quarters of Spain—a limitation rather superfluous than detrimental, since it is not easy to imagine how more than one seaport should be necessary for fitting out the distant voyages of each province, at least in the present state of the Spanish resources.

In 1766, the whole cotton trade of America was thrown open to the province of Catalonia, duty free; in 1772, the same liberty was granted to the other provinces also; and, in 1774, the importation of all the chief West Indian staples, duty free, was permitted to certain enumerated towns of the peninsula. The ordinance of 1765 was, in 1778, extended first to Peru, Chili, and Buenos Ayres, and soon after to Santa Fè and Guatimala; additions were also made, in this last edict, to the number of the towns permitted to trade with America; and the colonial ports included in the grant, amounted to no less than twenty-eight. The same memorable law granted various abatements of duties to vessels laden with
Spanish

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* See Sect. II. Part II.

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Spanish produce; to Spanish manufacturers; to colonial goods; and particularly to the precious metals, which, with the contradictory absurdity peculiar to the old system, had been taxed to an intolerable amount on their entrance into the mother country.

It is astonishing that, after such strides had been made towards the complete establishment of a commercial freedom, similar to that enjoyed by the other European states, a pause should have succeeded before the province of Mexico (the only exception which now remained) was comprehended in the new arrangement. Galvez, the minister for Indian affairs, appears to have dreaded the sudden extension of the free trade laws to this vast colony; and however much we may be inclined to suspect him of prejudice or ignorance upon general subjects, his dauntless character frees him from any imputation of timid or cautious policy, as his intimate acquaintance with the internal state of Mexico and the northern provinces, challenges considerable deference for his judgment upon this weighty matter. It was not until the year 1788, that he thought himself justified in removing the barrier which separated the northern colonies from the mother country; and the whole colonial affairs of Spain have, since that period, continued to resemble those of the

the most enlightened nations in modern Europe. * S E C T.
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2. The colonial policy of Spain presents us with examples of other restrictions upon trade besides those which are peculiar to the system. During the earlier part of the eighteenth century, a company was formed, with the privilege of carrying on the trade of the fertile and extensive province of Caraccas with the mother country, and with Trinidad and Guiana. A few years afterwards, the province of Maracaibo was added to the grant, and the privileges of the company were rendered exclusive. The Guipuscoa, or Caraccas corporation, however, as its formation was anomalous in the Spanish system, so it differed in many particulars from the other institutions of a similar nature, which have at different times been created by the mercantile policy of modern states. The Company possessed no political authority whatever, and had to encounter,

* Burke's European settlements, Part III. chap. V. & XVI.—Harris's Collection, vol. II. p. 373. *Et seqq.*—Bourgoing, Tableau de l'Espagne Moderne, tom. II. p. 167. *et seqq.*—Robertson's America, Book VIII.—Campomanes, Industria Popular. P. XXVI.—Campomanes, Educacion Popular, I. 430. 435. 443. 450.; II. 150. 166. & 167.; (Note 16.) 37. 54. 91. & 145.—Ricard, III. 609. *et seqq.*—Townsend's Travels, vol. II. p. 384.—Commerce (Encyc. Method.) I.

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counter, in matters of trade, a competition from the privilege enjoyed by the Canary islands of sending a large register ship yearly to the Caraccas, and from the free intercourse with the Company's provinces, permitted to the colony of New Spain. But it is only as compared with other more injurious institutions, that the Guipuscoa Corporation deserves praise; and it is only as affording some alleviation of the stricter monopoly, previously established in the Spanish colonies, that the effects of the monopoly can be accounted beneficial to the provinces included in the Company's charter.

As this traffic was confined to the two ports of St Sebastian and Cadiz, or rather to the latter of these, since all the vessels were obliged to return thither; as it did not enjoy all the benefits of exclusive privileges; as, without any of the emoluments attached to political sovereignty, the Company were bound to defray the most expensive charges of the Spanish colonial government, and the cost of checking contraband trade; the institution shared the fate of all other mercantile corporations. The servants employed in Europe and America, grew rich at the expence both of the copartners and the public; the diminution of profits was from time to time counteracted by extension of privileges; until, in the year

1785,

1785, the Company's capital was absorbed in a new establishment, formed about this time, under the name of the Philippine Company, with a stock of one million two hundred thousand pounds Sterling, for managing the commerce between America and the Philippine Islands, and between the Philippines and Old Spain.

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At first, several disastrous occurrences brought the new establishment to the brink of ruin. Even during more propitious years, it had to struggle with various disadvantages, besides those which are essentially inherent in all such plans. Thus, the monopoly was interrupted by a permission to all Spanish merchants to import Indian muslins; and the stuffs imported by the Company, were charged with duties above double of those paid by the same articles, of superior quality, in other countries. A great branch of smuggling was thus encouraged with other nations; and a profitable part of the Company's traffic was directly given up to other hands.

The profits of the Philippine Company on the first lucky adventure, were so high, as to ensure a still more formidable competition from contraband traders. The cargoes of 1787 rose in price full fifty *per cent.* after their arrival at Cadiz. The prospects of such gains raised the price of the actions; and in 1792, they were at
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par, after having sold at one time for half the prime cost. But still, the utmost boast of the directors has been, that the clear profits of late years are sufficient to balance the first losses of the trade, and to leave some overplus gain. The state of the accounts and dividends is sufficient to render even this boast suspicious. The original capital was eight millions of piastres (*peso fuerte or duro*), that is, a hundred and sixty millions of reals vellon. It is pretended, that the total gain of the Company on this stock, from the first institution to the end of 1795, that is, during eleven years, amounted to nearly twenty-two millions of reals vellon; which is only a yearly profit of one and one fourth *per cent.* Nor did any of this small profit accrue to the stockholders until the year 1793, when the first dividend of five *per cent.* was made. Another dividend of five *per cent.* was added in 1795, and a third, to the same amount, was issued in 1796. From which we may conclude, that the Company gained during 1796; and perhaps, too, that, like all declining companies, they enlarged their dividends beyond what prudence justified. This at least we know, that the existence of the institution was so frail, as to require of late years extraordinary support from government. This was granted in the form of a permission to purchase Indian stuffs, in the foreign markets of Europe, to a certain amount, and

and import them into Spain: in other words, a corporation, formed for the Indian trade, lost so much by its exclusive privileges, that it was supported by such an extension of these, as expressly acknowledged its inability even to make the most of the Indian trade.

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There can be little doubt that the Philippine Company will speedily share the fate of all those of which we have hitherto contemplated the history, if indeed this event has not already taken place. The friends of the concern were anxious to set off the great successes of 1793, 1795, and 1796, against the first losses; to state the latter as accidental, and the former as the probable and ordinary course of their transactions. But if the origin of the establishment was marked with great losses, the future success of the trade is sure of meeting with other obstacles hitherto little felt. The competition of private capitals and foreign companies by contraband trade—the expences of defending the monopoly against such attacks—the dilapidations of servants—the probable ruin of the tea trade, which in Spain cannot be considerable, and in foreign markets is in abler and richer hands:—these unavoidable evils (if they have not already accomplished it) will, in all probability, bring on the ruin of the Company, before the wisdom of the Spanish government shall see fit to annul the charter. At any rate, if we were to take the four years of

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highest prosperity as a fair criterion of the benefits derived from the trade (which they clearly are not), we should only find a profit of three and three fourths *per cent.* for the whole return; a much smaller gain than any which the worst branches of the free Spanish trades of flow return ever afford.

The only other instance of a Spanish colonial Company, with which I am acquainted, is that of the Barcelona merchants, incorporated by charter in 1755, with the liberty of trading to St Domingo, Porto-Rico, and Marguerite. As the whole West Indian trade was at this period confined to Cadiz, we may conceive how heavy the restrictions imposed upon this new Company must have been, when they counteracted all the prospects of gain presented by this share in the ancient monopoly, and prevented any use from ever being made of the privilege.

The project for altering the Honduras trade in 1714, was rather of the nature of a common contract, than an incorporative plan; and its failure followed the first attempt to carry it into execution. *

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* Bourgoing, Tableau, tom. I. p. 28.; II. 231. & seqq.—Real ceduta, 25. Sept. 1728, & 21. June 1752.—Campomanes, Industrie Populaire, tom. I. p. 158. & seqq.—Ullaritz, Teoria y Pratica, cap. XXXIV.—Townsend's Travels, vol. II. p. 374.

The Company of Cuba is fundamentally distinguished from every other institution of this kind with which we are acquainted, by the circumstance of its being entirely a colonial institution. The association was formed in 1735, with a capital of about two hundred thousand pounds Sterling, and was endowed with exclusive privileges; but although it had factors at Cadiz, it belonged to Cuba. The malversations of the officers in that colony so completely ruined the Company, that, in 1760, they were forced to give up all further operations.

The establishment of exclusive companies, seems, as I have already remarked, contrary to the whole tenor and spirit of the Spanish colonial policy. The best informed Spaniards consider the existence of those institutions as dangerous in a monarchical government. Ufartitz, particularly, argues from this general consideration, against the adoption of such expedients in the kingdoms of the peninsula*. We may, indeed, impute the circumstance of their never having found admittance there, rather to the jealousy of the Castilian monarchs, and the attention always paid by them to colonial affairs, than to any views of commercial

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policy,

* Teoria y Pratica, cap. XXXVIII. & XXXIX.—Econ. Polit. (Encyc. Method.) I. 742.; II. 311.—Richard, III. 607. & seqq.

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policy, or any sentiments of tenderness towards their subjects in the distant provinces. All the companies which have maintained their existence, with any degree of prosperity, in the other states of Europe, have owed their success chiefly to the powers of government entrusted to them. In Spain, it would have been inconsistent with every part of the national policy, to have invested a private copartnership with political authority over provinces of the empire.

* The sole management of all the colonies belongs to the Council of the Indies, instituted by the Emperor Charles soon after the conquest of the New World, and invested with a controul over those distant branches of the state, subject only to the voice of the Monarch, who presides at its deliberations, but is almost always directed by its advice. The provincial government is entirely in the hands of officers appointed by the Crown, and accountable only to their master and the Council. Even the sole property of the lands is held, by the colonial law of Spain, to be vested in the Monarch, of personal right. To him every vacated grant reverts: from him, with advice of the Council, all donations proceed. The ecclesiastical power is entirely subordinate and dependent. The Pope himself has no respect paid to his name in Spanish America.

3. The immediate consequences of the narrow and absurd views which regulated the Spanish government in its colonial measures, were, that the mother country received little or no benefit from the commerce of its distant possessions; and that the progress of those provinces, in cultivation and improvement of every kind, was extremely slow. The atrocious cruelties of the first Spanish conquerors, soon reduced the Indians to a very small number of most oppressed slaves. * The projects of mining absorbed a great proportion of the capital which a wise government would have endeavoured by all means to turn from such ruinous speculations towards the culture of the soil. The monopolies, together with the various heavy taxes and duties imposed upon colonial goods, exactly after the model of the Spanish finance system, checked all useful industry, and kept, in a state of want and misery, the settlements, destined by nature to enjoy the greatest degree of affluence. For two centuries, Spain did not gain more by the possession of the West Indies, than Britain or France now receive from the smallest of their islands; and the continental colonies, though by far the most extensive, and naturally the

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most

* Note V.

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most valuable, yielded the smallest returns, languished in the most sluggish inactivity, and enjoyed the fairest positive advantages of any colonies in the whole world. As an instance of these things, we may remark, that Cuba, which is by nature fit for the supply of all Europe with the great West Indian staples, did not nearly supply enough of sugar for the consumption of the mother country. And Spain, possessing in Veneruela, the country where cacao is produced in greatest perfection and abundance, received from that colony, through foreign nations, her supply of an article, which, of all colonial productions, Spanish habits render the most requisite. The general restrictions imposed upon colonial trade, by the singular species of monopoly established in the mother country, and the burthens to which the colonial taxes subjected all the efforts of the inhabitants, affected in general the progress of every Spanish colony. But the islands, from the peculiar nature of their culture, were subject to other drawbacks, still more immediately and sensibly felt. The absolute necessity of negro slaves in those settlements where the West Indian staples are to be cultivated, although it so far prevailed over all arguments of natural justice, as to render the slave trade a fundamental branch of the Spanish colonial policy,

yet

yet did not open the eyes of government to that free permission of the traffic, which a regard for consistency prescribed. The restrictions imposed upon the African trade, were evidently suggested by nothing like a regard for the rights of the negroes, or the ultimate and paramount interests of the colonies. They were drawn from the same source to which we must ascribe all the commercial regulations of Spain; a favour to one class of subjects, and a jealousy of benefiting foreign nations by the reciprocal advantages of those branches of commerce which the Spaniards themselves could not carry on. With all the wish in the world to promote the slavery of the negroes by means of Spanish traders, particularly by means of a certain class of Spanish traders, the Council of the Indies cramped that intercourse with foreign slave traders, which the cultivation of the islands required, and confined the right of importing negroes to a certain part of the mother country. Then, political circumstances induced the government to transfer the benefits of this traffic to a class of merchants in France, who continued to enjoy a monopoly of the African trade with the Spanish colonies; and the Government, at the same time, by way of restricting this privilege, which necessity had extorted, restricted the extent of

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the trade, or, in other words, rendered the monopoly still more ruinous than ever to the West Indian settlements. By the treaty of Utrecht, the Assiento was transferred to Britain, given again to a company, and accompanied with similar restrictions.

The Spanish war, caused in a great measure by the contraband trade which the English contrived to mingle with the Assiento importation, put an end to this singular species of foreign monopoly; and the slave traffic was conferred by the government exclusively to a private company, whose entrepôt was at Porto-Rico. This copartnery supplied Cuba and Trinidad (the islands most in want of hands) with no more than from two thousand five hundred to three thousand slaves a year, while Carthagena and Portobello (for the supply of the Continent) received only half that number. The contract expiring in 1780, Government wished to encourage a more regular trade with Africa; and actually obtained from Portugal two small islands on the coast. But want of proper vessels and surgeons, ignorance of this difficult branch of traffic, and a total deficiency in those articles which are necessary for the negro market, with all the restrictions of the Spanish laws upon importation, prevented any good effects from attending these endeavours. The Spanish colonies

✓ nies were again forced to depend upon foreign supplies; and Government, again, unwilling that a mutual benefit should be conferred upon strangers, took the supply into its own hands, and entered into contract with a British mercantile house for a yearly number of three thousand slaves. The Philippine company, too, imported, by means of British vessels, a supply of nearly four thousand for one year into Buenos Ayres. At last Government discovered, that commerce is in its essence a mutual benefit; that kings and ministers are not such good merchants as private men; that no law can compel a Spaniard, any more than another person, to become suddenly skilful and experienced in a particular business; and that, in order to cultivate the colonies of Spain, the British slave traders must necessarily be enriched. In 1789, the negro traffic with the islands and Caraccas was thrown open to Spaniards and foreigners for a certain time; and this period was prolonged by subsequent edicts, which also extended the privilege to the two southern viceroalties. A bounty was also proclaimed upon field negroes, and a capitation tax imposed upon those employed in domestic service. At the same time, with a wonderful inconsistency, the importation of all dead stock, including tools and implements required in agriculture and the arts,

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arts, was expressly confined to Spanish traders and vessels, as if negroes were at all different from other implements of industry, in a *commercial* point of view.

The effects of those changes, and of the general freedom granted to colonial commerce, by the edicts which I formerly mentioned, have been immediate and extensive upon the colonial resources. The island of Cuba, in particular, the largest and most fertile of any in the new world, if not in the whole globe, has been making rapid advances towards that state of opulence, for which its natural advantages are so eminently adapted. Its trade which, in 1765, scarcely employed six vessels; in 1778, required above two hundred, and more than supplied the mother country with sugar. In 1774, there sailed from Cadiz alone to Cuba forty-one vessels; and arrived from Cuba at Cadiz sixty-one. During the period from 1765 to 1770, the customs at the Havannah had increased threefold; and the total value of the importations from the whole island had augmented five fold. An increase which shows at once the evils of the previous regimen, and the tendency of the Spanish colonies, as well as of the mother country, to rapid improvement, under a better system of commercial policy. The improvement of St Domingo has also been very great; and that of
Porto

Porto Rico still more considerable. The liberty of trade granted to Trinidad having been in every respect more extensive than that which the other islands are permitted to enjoy, the improvement of the colony was proportionally rapid and astonishing. Within a few years, the sugar plantations increased from twenty to above three hundred and sixty; and all the other articles of West Indian produce, which were formerly unknown in this quarter, have since been raised in considerable abundance.

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The improvement of Caraccas from the institution of the company, and the consequent extension of its connexion with Europe, is equally striking. The restraints under which the general monopolies of Seville and Cadiz formerly laid this rich and extensive province, in common with all the Spanish colonies; not situated in the immediate vicinity of the three great emporiums, had so completely checked its commercial intercourse with the mother country, that during sixteen years not a single vessel arrived from thence in Spain; and during twenty years previous to the company's establishment, only five ships sailed from Spain to the province. Spain was of course supplied with cacao, the great staple of the colony, entirely by foreigners. But since the year 1728, the direct importation of this article has been so copious, that its price
has

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has fallen to one half. The quantity raised in Caraccas is double of the former produce; the number of its live stock is more than trebled; the cultivation of grain, &c. is increased nearly threefold; and the population has been greatly augmented. The privileges granted to the company, although very ruinous when compared with a free trade, were liberal, when compared with the former restrictions. The permission granted to the company exactly increased the stock employed in the colonial trade by a million Sterling, the amount of the company's capital, and turned all the additional commerce, supported by this new stock, into the service of the Caraccas alone; while the privilege, being not at first exclusive, could prevent very little of the former capital from being continued in the same employment, until the increase of the colony was so considerable, that the effects of the additional monopoly could not be felt.

Since the year 1765, too, the contraband trade has been almost entirely destroyed. At present, it exists only in an extent authorized by the connivance of the Spanish government from the necessities of the colonists. *

We may form a more general estimate of the consequences which the new system has produced

* Note W.

produced upon the colonial commerce of Spain, by attending to the total amount of the colonial exportations and importations of the privileged ports since the new regulations, and comparing this amount with that of the commerce carried on during the later periods of the monopoly, or, which is the same thing, by examining the progress of the colony trade during the first years of the free trade.

The exports to Spanish America in 1778 were made in a hundred and seventy ships, were worth about seventy-four millions of reals vellon, and paid above three and a half millions of duty. The imports from thence, in the same year, were made in a hundred and thirty ships, valued at seventy-four and a half millions, and paid nearly three millions duties.

In 1788, the value of the exports had risen to above three hundred millions, and that of the imports to above eight hundred and four and a half millions. The duties upon both exports and imports exceeded fifty-five millions.

This rapid increase can be ascribed to nothing but the effects of the free trade; and, notwithstanding all the clamours raised by the Cadiz merchants, we find that the city was the first to enjoy the advantages of the change; for the imports of Cadiz from America in 1788 were three fourths of the whole colonial imports;

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ports; and the exports of Cadiz thither were considerably above two thirds of the whole colonial exports. This harmless consequence of the new regulations to the town which enjoyed the monopoly for so many years, may in part be attributed to the extreme caution, and even tedious and timid slowness, with which the change was brought about; but much more to the wealth already heaped up in that town, and the greater experience of its merchants in the colony traffic. We may indeed be permitted to doubt if it was necessary to use so much caution in contriving to allow so many delays in executing the new arrangement. A sudden shock to the employment of national capital is always to be avoided; and, no doubt, when one part of a nation has grown wealthy and important, out of all proportion to the rest, a blow given to this quarter is to be dreaded; from the apprehension that it may shake the whole community. But the laying open of a trade, by the monopoly of which one branch of the state had thriven, is seldom extremely dangerous, even when sudden; for the very existence of the monopoly must have enabled the favoured branch to acquire large capital and great experience, which will assuredly give it a preponderating weight in the new competition. The profits will be diminished, and a few individuals ruined; but
more

more stock will be actively employed, and greater exertions of industry and skill called forth. The whole profits on the trade will be increased; and the pre-eminence of this once favoured branch of the trading interest, will necessarily continue a long time—will necessarily be brought to its just level by very slow steps, although the trade should be laid open on a sudden, without the smallest warning or modification.

But, whatever may be our opinion upon the general caution exhibited in all the colonial measures of the Spanish government, we cannot hesitate to admit, that some of those measures were not only demonstrative of too rigid an adherence to the ancient spirit, but absolutely contradictory and repugnant to the wiser and more liberal intentions of the new establishments. Of these I have already mentioned one or two instances immediately connected with the colonial trade and cultivation. I shall now add two more examples of the strange mixture of illiberal and absurd policy which, about the period of greatest reform, seems to have prevailed in the views of the Spanish rulers.

In the *first* place, When steps were taken to abolish the *alcavala*, and other destructive branches of revenue in Old Spain, a measure
of

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of restrictive policy was allowed to be attempted in America, which had nearly cost the price of all the continental colonies. The endeavours of the Court to lay tobacco under a Royal monopoly in Peru, produced, about the close of the American war, a rebellion, which was not quelled without incredible bloodshed, and which, if it had lasted a few months longer, might have severed the southern continent from its dependence on the Old World, at the same time that the northern colonies were establishing their supremacy.

In the *second* place, Although the chief object of the new laws was the abolition of the contraband trade, a tariff was published in 1782, raising almost all the duties payable by foreign merchandize imported into Spain. Now the foreign market is that to which the colonies must look for their chief supplies, until Spain has revived her European industry and skill. This impolitic measure, then, tended to an immediate and important augmentation of the colonial contraband trade, as well as of the European smuggling. *

4.

* Bourgoing, *Tableau de l'Espagne Moderne*, tom. II. p. 167. *et seqq.*—Robertson's *America*, Book VIII.—Solórzano de Indiana *Gubernacione*, lib. IV. cap. VII.—Ustaritz *Teoria y Pratica*, cap. XXXIX.

4. No restriction imposed in the mother country, with a reference to the colonies, is more absurd; and few can be more hurtful, than the limitations upon the exportation of the precious metals. It is evidently to these restraints, and not to the possession of the American mines, that we should ascribe the bad consequences so often imputed to the Spanish and Portuguese colonies, from the supposed tendency of the gold and silver trade to raise the price of labour in the peninsula, and subject the manufactures of the nation to a disadvantageous competition in foreign markets. The taxes imposed by Spain, and the absolute prohibition imposed by Portugal, upon the exportation of the metals, without enabling those countries to retain a single ingot more than they can afford to employ in currency and use, raises their value in other countries, by the expence attendant upon the risk of smuggling, as well as by the obstruction of the supply which would naturally go thither; and diminishes their value in the peninsula, where the channels of circulation and consumption are kept always full. If the restrictive laws were abolished, the level would be restored; and the only consequence of Spain and Portugal possessing the mines would be, that these countries would possess an extremely

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small superiority in cheapness of gold and silver—a superiority proportioned to the expence of freight and insurance upon the quantity of those metals, which would be diffused over the rest of Europe from the American mines, through the medium of the peninsula.

5. It is impossible to form an accurate idea of the important advantages which Spain derives from her colonies, without much fuller information than the jealousy of the government, and the want of curiosity among the people, has allowed us to obtain with respect to the internal state of the colonial system, and the revenue derived from thence by the Crown. The various detached pieces of intelligence which have reached us upon these topics, are extremely contradictory; and, even though the different conclusions to be drawn from the facts, agreed with each other, the results applying to different periods, while the state of the whole is daily changing, we should be unable to derive any satisfactory account from the detail.* Of the following general inferences there can be, however, but little doubt.

In the *first* place, It appears that the Spanish colonies are more extensive, and more rich, in various

* Note W.

various resources, than those of any other power.

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Secondly, That the commercial regimen has always been such as to obtain the fewest possible benefits from such fine dominions.

Thirdly, That the population has been rapidly increasing in every quarter since the conquest, though not so rapidly as in the North American settlements.

Fourthly, That at this day Spain possesses a small proportional black population, and a more numerous Indian and white population, than any other European power in the New World.

Fifthly, That the population is well blended together, the forces of the races balanced by manners and political institutions, and the dangers of negro or Indian insurrection removed to a great distance from the most important Spanish colonies.

Sixthly, That the dangers of separation from the parent state are not to be considered; so distant have they been rendered by wise measures of general policy. And,

Lastly, That the improvements of the whole colonies, but particularly of the islands, have been keeping pace with the necessities under which Spain is laid, both in America and Europe, of extending and drawing forth her whole imperial resources.

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The changes which have lately taken place, both in the continental and insular dominions of Spain, deserve considerable attention. Although the remaining territories of this power in the New World are far more than sufficient to increase her resources in an incalculable degree; and although the states which have received the spoil are in every respect much more benefited than the plundered nation is injured by the compulsory transference of territory; yet it cannot be doubted, that the acquisitions, both of France and England, are sufficiently important to justify some apprehensions for the consequences to the colonial independence of Spain. The neighbourhood of Trinidad to the Continent, of St Domingo to Cuba, and of Louisiana to Mexico, is an obvious consideration of alarm. If Spain loses her last footing in the Archipelago, now reduced to Cuba and one or two inconsiderable rocks, the consequences must be the more serious, that she will cease to have any weight in the politics of the West Indian system. Almost all her strength will be concentrated on the west coast of America; for the east is uniformly so extremely unhealthy, that nothing but the attractions of the periodical fairs could ever have interrupted its natural state of desertion; and even this was only conspicuous during

ing a few days of every year. An event which should in a manner cut off the intercourse between the mother country and colonies, could scarcely be regarded as otherwise than fatal to the provincial relations of Spain. But the farther discussion of these topics belongs not to this branch of the subject.

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While the views of the Spanish government have been daily becoming more liberal and more just in colonial affairs, and while the change has been uniformly attended with the happiest effects upon this branch of the imperial concerns, a similar revolution has gradually taken place in the domestic policy of the mother country. The views of the Bourbon princes have been directed in this, as well as in the more remote branches of their noble dominions, to ameliorate, by slow steps, the ruinous system of administration established by their predecessors of the Austrian line; and the effects of so important a change have been striking and uniform upon the internal situation of the community. It is not my province to enlarge upon this topic; but, as a proof that the decline of Spain was wholly unconnected with her colonial relations, it is sufficient to state the financial reforms which have been projected, and in part executed, in the mother country, during the very period of greatest colonial im-

provement and prosperity. The plan of a single tax to be substituted for the *alcavala* and *millones*, and some of the other most ruinous branches of Spanish finance, took its rise at the very time when the plan of the free colonial trade was in agitation. The execution of the two schemes, and of the other subordinate measures connected with each part of the national policy, have nearly kept an uniform pace. While all parts of the empire have been incalculably benefited by the free trade with America, the most important, and by far the most oppressed parts of the mother country, have been relieved from those manifold burdens which had evidently been the cause of her decline; and every day now evinces the happy effects of a change in policy, no less just than it is expedient, and even necessary. It is surely a proof that the downfall of a country was not caused by its colonial possessions, but by some evil in the national policy common to all its branches, when we thus find that the æra of adversity was common to both the contiguous and remote provinces, and that the same circumstances which raised up the colonies, and increased their beneficial effects upon the wealth of the parent state, have elevated the parent state also, rescued her from inactive obscurity, and placed her in the career of general improvement.

provement, in which her neighbours are engaged in both quarters of the globe.

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P A R T III.

OF THE COLONIAL POLICY OF PORTUGAL, DENMARK,
AND SWEDEN.

THE circumstances of Portugal, in many important particulars, closely resemble those of Spain. Many of the deductions and remarks contained in the Last Part of this Section, apply, without any variation, to the Portuguese policy, both in the colonial and domestic departments of the state. Without repeating these, I shall now consider those peculiarities which distinguish Portugal from Spain, and, for the most part also, from every other country.

By its relative situation, and moderate extent, Portugal forms a subordinate branch of the European commonwealth. It is obviously a natural part of the Spanish empire; and nothing but the weakness of Spain, together with another circumstance peculiar to Portugal, could have prevented the whole peninsula from being

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united at this day under a Spanish monarch, assisted by the force of his natural allies. That circumstance is, the vast extent of the colonies over which, at all times, the Portuguese dominion has extended, which, by their great resources, have communicated to the mother country an importance altogether unnatural to her, and which, if regulated by a just system of policy, would have enabled her to act a part among the most powerful states of Europe. With respect to her colonial relations, Portugal, in some respects, resembles Spain; in others, Holland; and in others, she is in a situation very different from either.

Portugal resembles Spain in the backwardness of all parts of the empire; the abundance of employment which the mother country might still afford, both to industry, capital, and skill; the possibility of existing more independent, both of distant provinces and foreign powers, than she has hitherto done; and the capacity of making a greater figure alone, than her colonies have ever yet enabled her to do. She resembles Holland in the inferiority of her proper staple agricultural resources to those of all her neighbours, and in the necessity under which that inferiority lays her, of cultivating some other mode of industry besides agriculture, or of falling upon some means of extending

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ing her limited territories. But she certainly does not resemble Holland, in beginning to obey the necessities of her situation, by first improving the nearer parts of her territory, or taking the most obvious means of supplying its deficiencies.

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In some circumstances, Portugal differs widely from both Spain and Holland; for she unites a greater natural weakness than that of Holland, with a corrupt national character, and a system of policy not much better than that of Spain. She has more natural disadvantages than Holland, without any of the political remedies by which the Dutch obviated all those evils; and nearly as many political drawbacks as Spain, without any of the natural advantages which have maintained the independence of Spain in spite of all her efforts to lose it.

The extension of the Portuguese territory by colonial establishments, has in part supplied the want of natural barriers of defence, and in some degree counterbalanced the effects of bad domestic policy. Without doubt, if the Dutch had possessed the western part of the peninsula, they would have accumulated greater wealth, and collected a larger population within their limits than the Portuguese have done, within all the circle of their vast boundaries. Without any colonies or fisheries, they would have attained

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attained a much higher rank in the European scale than the possession of India and Brazil has ever forced on the Portuguese, probably a higher rank than they themselves have ever been able to seize by the force of all their industry and skill. But in the actual case of a feeble, impolitic, and degenerate people, inhabiting the country during the most important period of modern history, whatever may have been the causes of their impolicy and weakness, even admitting the colonies to have contributed their share of national degeneracy, it cannot be denied that the most essential benefits have been derived from the distant to the contiguous provinces, and that the colonial possessions of Portugal have, much more than the weakness of her natural enemy, continued her independent existence in Europe. While the Dutch, then, from want of land, were forced to employ themselves in every branch of manufacturing and commercial industry, in order to support a great population, the Portuguese, in no want of land, turned their pursuits to foreign trade and conquest, from variety of tastes, and from ambition. The Dutch wanted occupation for their talents, in order to gain subsistence; and having acquired stock, they wanted the means of employing it, in order to acquire greater wealth. The Portuguese only

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only stood in need of extensive territory for the purposes of defence. They wanted barriers against powerful neighbours; and having supplied this deficiency, by acquiring the weight which foreign conquests more quickly confer, than increase of domestic prosperity, their ambition grew with their possessions, like the avarice of the Dutch, and they became one of the most powerful people in the world. Holland had recourse to the colonial policy. After reaching the highest pitch of domestic opulence, her colonies served to retard, and may, if other causes do not intervene, altogether prevent the downfall which a state naturally dependent could not fail to experience. Portugal began with colonial speculations. They were the first efforts of her power. They were the earliest fruits of the talents which have so sparingly appeared among her inhabitants.

In Europe she has never made any conspicuous figure. Had she produced the ablest leaders or statesmen, they could only have raised their fame on the conquest or administration of distant territories, where the power of Spain and France did not interfere. Holland has presented the spectacle of an overgrown wealth and population accumulated in a petty district of bad land. Spain has exhibited the greatest instance on record of an empire
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overgrown in all its parts, and, if not unwieldy, at least uselessly extensive in every quarter. Portugal has displayed a perpetual contrast of natural advantages with political defects; the most striking instance of overgrown power in distant regions; of disproportion almost unnatural between the remote members and the body; of ambition gratified at the expence of both safety and wealth. The more moderate extent of the original dominions has, indeed, prevented them from experiencing the same neglect, which, for many ages, proved fatal to Spain; and the struggles to which the distant provinces were so often exposed, have rendered their inhabitants more active than their secure and confident neighbours. But, in most material particulars, the character of the Spanish and Portuguese policy, both in Europe and the colonies, continued nearly the same, until, during the latter part of the eighteenth century, the improvements of the former in all respects outstript those of the latter system.

Thus, in the nature of their colonial administration, and in the relation between colonial possessions, and the wealth of the parent state, both Spain and Portugal agree so well, that they may be classed under the same extreme case, as forming a contrast to Holland. But in the disproportion of the colonial to the European

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ropean territories, and in the relations between the colonies and the power of the parent state, Portugal is in a separate predicament; an extreme case, forming a contrast to every other state—least of all to Spain, most of all to the northern powers. We may therefore expect to find the most important effects produced upon the political circumstances of Portugal, and no inconsiderable influence exerted also upon her national wealth, by the varying fates of her colonial system. We shall see that evil consequences have followed, not from the acquisition, but from the loss of her colonies; and that the only injuries which the Portuguese can charge upon the colonial measures of their ancestors, are the comparative losses sustained in consequence of the abuses prevalent in the whole system of their provincial policy.

1. During the sixteenth century, the empire of Portugal was more extensive than any over which the dominion of other states has ever stretched; and the territories that composed it, though almost all held by the right of recent discovery and conquest, were not, like those of Spain and Russia, subdued and retained with ease; nor were they tracts of useless country, thinly peopled, possessed only of unimproved natural resources, and inhabited by a few tribes of wandering

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wandering savages, mingled here and there with nations somewhat more civilized. The Portuguese conquests were with much difficulty gained from nations far advanced in refinement, capable of making a regular and formidable resistance, constantly prepared to throw off the yoke spread over countries of which the various and abundant natural resources had been so highly improved, as far to surpass those of the conquerors in Europe. The extension of territory obtained from right of discovery, that is, seized from less civilized nations, was equal to the most opulent of the dominions possessed by Spain, and possessed by tribes much more warlike than the Mexicans or Peruvians. The extent of sea-coast studded with convenient ports, which bounded the eastern dominions of Portugal during this brilliant period, was of itself sufficient to insure the most important commercial advantages from their intercourse with the metropolis. The whole western coast of Africa, with the greater part of the east coast and the Cape of Good Hope, was subject to the dominion of the Portuguese, and occupied at favourable intervals by their garrisons and factories. In like manner, they possessed the whole southern coast of Asia, together with as many of the Indian islands as they chose to settle in, from the Gulph of Persia to China and

and Japan, where they had a few important commercial stations. This unparalleled extent of naval territory gave them the undisputed command of all those seas, and enabled them to carry into execution the ordinary schemes of the mercantile system with uncommon rigour and success, by strictly confining all intercourse with Asia and Africa to their own European territories. The power which they possessed over the interior of those vast and opulent regions, supported their commercial establishments, and enabled them to gratify with unexampled license that tyrannical spirit which has always, though in different degrees, signalized the intercourse of European states with the refined and amiable inhabitants of their Oriental provinces. Such, during the whole of the sixteenth, and the greatest portion of the seventeenth century, was the magnificent outline of the Portuguese empire in Africa and Asia.

It may easily be imagined, that the possession and exclusive commerce of such rich and extensive dominions, not only aggrandized the Portuguese name, but poured great wealth into all parts of the state. They are indeed the only theatre upon which the valour or talents of this nation have ever acquired renown; and the ancient Indian trade bears as great a proportion to all the present commerce of Portugal,

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tugal, and all that she ever possessed, as the Asiatic trade bore to all the rest of the Venetian commerce. The romantic descriptions of the Portugueze authors may be received with suspicion, when we view the extent of the glory which they so profusely ascribe to their countrymen in Indostan; and we may even question those pictures of the rich resources of the Eastern empire. But the testimony of other nations, their rivals and enemies, is sufficient to prove, that the achievements and wealth of the nation in those provinces were greatly superior to any of which it can boast elsewhere; and the remains of the Portugueze dominions in Africa, where at this day fifteen kings are tributary to the Court of Lisbon, together with the glittering fragments of the Asiatic empire, corrupted by bad policy as well as dismembered by foreign conquest, may convince us of the important relations which the provincial wealth and power of this nation must have formerly borne to its whole resources. One consideration may, indeed, suffice to demonstrate the importance of her East Indian possessions to Portugal during the sixteenth century: They threw into her hands all the commerce of Asia, which, long before the discovery of the Cape passage, had formed one of the greatest trades carried on between any two parts of the world; had

had enriched and refined the whole European empire of Rome, and raised the petty republic of Venice to a degree of power formidable to all the great nations of the Continent. The same commerce, divided among several states, though prevented, by their erroneous plans both of provincial government and mercantile policy, from making great progress since the downfall of the Portuguese dominions, has sensibly enriched all those nations, and continues to form a very considerable part of their extended trade. The fine provinces of the peninsula and the islands, are now indeed much more fully explored, and better subdued. They contain a greater mixture of Europeans, and are more under the influence of systematic discipline. But when we consider the state of dependence and misery in which they have been kept by constant misrule, and the worst possible system of mercantile law, we shall not be disposed to think their resources more flourishing than they were in the days of Albuquerque and Castro, or to believe that the best schemes of policy could now derive from them more essential benefits to the commercial affairs of England, France, and Holland, than those great captains might have obtained for the Portuguese trade, by following an equally wise line of political conduct. A single fact related by

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the best English authors, and received from very unquestionable authority, is sufficient to demonstrate the extent of the trade actually carried on by the Portuguese in their Asiatic settlements, some time after their Eastern empire had begun to decline from the competition of the English and Dutch. In the year 1611, the English Company's servants, in one of their voyages to Surat, saw a single Portuguese merchant fleet, consisting of two hundred and forty sail bound for Camboy, and destined only for the commerce of the northern and most trifling settlements. *

The attention which so extensive and splendid a dominion, capable of communicating such important commercial benefits, received from the metropolis, may easily be imagined. The African and Asiatic provinces, however, must be considered as conquered territories, held in subjection by a few handfuls of troops and squadrons of ships, not as colonies peopled by emigrants from the mother country, or by a race in which those emigrants and their descendants bore a considerable proportion. The policy of Portugal was of a nature very little adapted to introduce any extensive intercourse between the ports of the empire; and at any rate, the Eastern settlements were already extremely populous.

* Anderson's History of Commerce, II. 245. 263.

pulous. The nominal possession of vast dominions was preferred to the real incorporation of as much as the force of the central government could sustain and hold together. The treasure and blood of the metropolis was wasted in wars with the native powers, and the relations of commerce were on every occasion postponed for those of conquest and dominion. The consequences of these circumstances have been fatal to the Portuguese dominion in the East. Held by the most brittle of all tenures (the same violent measures upon which it was founded), this empire yielded to the fate of war, and has, like all conquests made by a distant and inconsiderable state, been transferred to other powers superior in policy and strength.

The Portuguese trade with India, although rigorously confined to the subjects of the mother country, was never put into the hands of an exclusive Company incorporated by charter, except during a short time about the year 1731, when the experiment was tried with little success. The Sovereign always retained the direction of this valuable traffic in his own hands; and, of course, mismanaged every branch of it as much as can possibly be conceived. He granted, from time to time, privileges of fitting out vessels, in a certain limited manner, to private copartneries

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and individuals, who thus enjoyed a monopoly of the supplies required both by the Asiatic and European provinces. In general, the monopoly has been vested immediately in the Crown, until the year 1752, when it was said to be abolished; but various important articles still continued subject to the Royal privileges, and could only be bought in India and sold in Europe on the King's account. For many years past, it has been a matter of great indifference what became of the East Indian trade. From the splendid preeminence which it once possessed over every other branch of European commerce, it has sunk to a few annual voyages, in consequence of the reduction of the Portuguese empire in the East, and the bad management of the trade and settlements that still remain. The wisdom of government has suggested no better expedient for reviving it, than new exclusive grants to mercantile adventurers in Europe, and the establishment of an exclusive company in Goa (the chief East Indian settlement), for the management of the whole trade with China.

These preposterous arrangements have actually taken place since the year 1752, when a conviction of the evils arising from monopolizing policy, induced the Sovereign to abandon several
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of his exclusive rights; and to pretend that the East Indian commerce was thrown open. * S E C T.
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2. While the Portuguese conquests were rapidly succeeding each other in the East, the discovery of Brazil, and the acquisition of that vast region, opened a field of exertion in the West, less splendid, indeed, but capable of producing more secure and valuable fruits, than the great theatre on which the Albuquerque and Castros were reaping an immortal name for their country. For some years, as might be expected, a territory inhabited by savage tribes, remarkable only for its extent and fertility, wanting, to all appearance, the precious commodities which rendered New Spain and Indostan objects of national avarice, and requiring exertions of regular, peaceable industry to improve its resources, offered no temptations to the spirit of private adventure, or the ambition of the Portuguese Government. During this period of Asiatic conquests, Brazil was slowly

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* Dumourier, *Etat present du Royaume de Portugal*, liv. II. chap. 2.—Anderson's *History of Commerce*, II. 4. 16. 59. 62. 88. 164. 245. 262. ; III. 175.—Murphy's *State of Portugal*, chap. XX.—*History of the Portuguese Empire in the East Indies* (apud Harris) I. 663. & seqq.—*Econ. Polit. & Diplom.* (*Encyc. Method.*) III. 677.

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peopled by malefactors, and by those whom the persecuting system of the times drove from the mother country. Among the unfortunate persons sacrificed to the cruel bigotry of the Inquisition, were a great body of Jews, who carried over with them to the colony the industry and skill by which they had enriched and strengthened the European dominions of Portugal. Under their cultivation, the natural wealth of so fruitful a territory could not fail to develop itself; and the attention of the Government was by degrees attracted to this new and promising source of national opulence. The great abundance of land gave rise in this, as in many other American colonies, to a system of division, only harmless at the beginning of the settlement, and productive of the same lasting obstructions to improvement, which the feudal restrictions upon the commerce of landed property have created in all the countries of Europe. All the Portuguese subjects who chose to settle in Brazil, were permitted to subdue large tracts of territory, and to hold them as fiefs of the Crown, with absolute power over the natives whom they had conquered, and with all the prerogatives of royalty, except capital jurisdiction, coinage and tithes, which were constantly reserved to the Sovereign. These great territorial lords thus acquired an authority,

rity, nearly absolute, over domains frequently extending forty or fifty leagues along the sea coast; and generally leased out parts of their possessions to subvassals for terms of two and three lives. However detrimental such an arrangement was calculated to prove in the long-run, it had the immediate effect of attracting to the colony a number of adventurers and opulent persons from the mother country. The whole territory, now known by the name of Brazil, was rapidly subdued; and the cultivation of various useful articles, particularly the woods peculiar to that part of the world, proceeded with considerable success. The demand for sugar soon gave rise to the importation of negroes from the opposite coast of Africa; and the shortness of the passage, from thence, together with the extent of the Portuguese settlements in that quarter, enabled the colonists to avail themselves of this method of improvement, with a facility unknown in other parts of the New World.

The importance of the colony daily augmented, and its traffic with the parent state would have proved a mutual benefit of incalculable extent, had not the narrow policy, peculiar to the Peninsula, confined it to a few ports in each part of the empire. Annual fleets from Lisbon and Oporto alone were permitted to carry on

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this rich commerce, under regulations similar to those of the Spanish flotas and galleons. Four emporiums, Olinda, St Salvador, Paraiba, and Rio Janeiro, were appointed for the destination of those squadrons, and the supply of the whole colony. In other respects, the system of administration has always been preferable to that of Spanish America, although the Crown has possessed the same absolute power over all the colonial resources, and monopolized a great proportion of the produce.

The conquest by Holland, during the earlier part of the seventeenth century, produced no unfavourable consequences to the settlement; and the restoration of the Portuguese power was attended with no internal change. But

The eighteenth century opened with a discovery of gold and diamond mines; and the attention of the Government to provincial affairs was now unfortunately redoubled. The colonial history of Portugal since that period has been singularly anomalous and inconsistent. Companies have arisen; endowed with various exclusive privileges formerly enjoyed by the Crown. In some cases, the Sovereign has resumed his original rights. Other institutions of this description have owed their origin to absurd plans of improving the colonies. Of these, some have quickly failed, from bad management

agement and accidental misfortunes: some have been abolished by the interference of Government. On the other hand, we can scarcely ascribe to this interference the praise of political wisdom, when we consider how many pernicious regulations have, during the very same period, been adopted with respect to the internal government of the colonies, and their connexion with the parent state. The companies into whose hands the trade of the three northern captainships was delivered about the middle of the eighteenth century, have by no means produced the salutary effects justly attributed to the Spanish Company of the Caraccas. Far from increasing the intercourse with Europe, those hurtful privileges have, in this case, almost destroyed it. As an instance of the consequence arising from such plans, we need only remark, that the trade of Para, which previous to 1755 (the date of the establishment of the Paraibean Company) employed thirteen or fourteen vessels, immediately after that Company began their operations, fell to so low an ebb, as only to require four or five. We can attribute the difference between this and the change produced by the Spanish corporation on the trade of Veneruela, only to the totally different circumstances of the two provinces: the one altogether unpeopled, and in the lowest state of cultivation;

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tivation; the other by no means inferior to the best provinces of Spanish America, either in wealth or population: the former scantily supplied under the old system of galleons; the latter enjoying as much benefit as that system could bestow, from the circumstances of geographical position, and the less rigid nature of the Portuguese monopoly.

It is truly singular, that the worst of all contrivances which the mercantile system has produced, should have found favour in the cabinet of Lisbon, at a time when its councils were directed by the only enlightened politicians that ever appeared in Portugal, and when even Spain was following the example of all other nations, by extending the limits of commercial freedom. But the new companies for the trade of Brazil were formed upon a plan, involving some contradictions still more curious than those general absurdities which give rise to all such schemes of public trade. The stock of each corporation was divided, as usual, into actions: but the law authorised the members, or their directors, to fix annually the prices of those actions; and at those prices the actions were to be sold during the whole year. In order to give this ridiculous regulation some effect, the actions were declared a legal tender of payment, according to the rates of payment annually settled;

ted ; but Government refused to take them at all in payment of loans or taxes. It is needless to remark, that such childish laws could only serve to bring the Government and the Corporation into disrepute, and incumber trade with difficulties ; that after the first issuing of the edict, all bargains would be made with express exceptions against the Company's paper, or with a settlement of the rate at which the paper should be received ; and that the market price would always be wholly independent of the prices fixed by the issuers. It was not in the government of the colonies alone, that the conduct of Portugal appeared inexplicable during the period immediately succeeding the calamitous events of 1755. The European administration was attended with circumstances equally unaccountable. At a time when every forbearance and tenderness on the part of Government was required to alleviate the miseries of the people, an edict was published, ordaining one third part of all the vines in the kingdom to be plucked up, and the ground sown with grain. Another law was enacted, obliging every retail trader to shut up his shop, if he could not prove that half his capital belonged to himself. The exportation of specie was strictly prohibited. The laws against importation of certain kinds of foreign merchandise were

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were executed with the most cruel rigour. The whole wine trade of Oporto was given up, into the hands of an exclusive company; and the staple produce of the country, but especially the chief commerce of the second city in the kingdom was thus sacrificed to an iniquitous partiality in favour of a trifling body of wealthy individuals, or a prejudice, almost insane, against the nation which had generously supported the unhappy capital of the country under its calamities, and had for half a century preserved the independence of the Crown. The cruelty with which all attempts to resist or avert those odious laws were uniformly treated, furnishes a proof that the Government was actuated by principles less excusable than even ignorance and imbecility of mind. It will remain for posterity to marvel at the name which Pombal has acquired, after having presided over the Portuguese councils, when the edicts of 1755, 1756, and 1759, carried confusion and dismay into every part of the empire.

The companies of Para, Fernambuca, and Maragnon, however, after the downfall of that minister, did not last long: they have ceased to exist above twenty years, after producing incalculable mischiefs to both the mother country and the colony during an equal period of time. What arrangements of colonial commerce

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merce have been substituted in the place of the new monopoly system, I do not know. It is probable, that the whole American colonies enjoy a considerably greater portion of commercial freedom than formerly; for Pombal's unaccountable plan was, to throw all the parts of the trade which were before free, into the hands of companies; and to abolish the restraints of flotas, &c. under which the other parts laboured. It is most probable that the Portuguese colonial trade is at present in the intermediate state through which the Spanish colony trade passed from the plan of stated expeditions, to the new and more liberal system. Lisbon and Oporto, probably, are still the favoured ports; but, from these, register ships are in all likelihood sent to any part of Brazil, unless, in the rage for abolishing every measure of Pombal's administration, the flotas were restored. Of this, at least, we are certain, that the royal monopolies exist in their full force, and obstruct the growth, as well as the circulation, of the most valuable staple produce which Brazil supplies.

Some regulations of internal colonial police, however, deserve more praise than can in general be ascribed to Pombal's æconomical measures. It was his object to exalt the Indians as much as possible, and to abolish the preference

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ence always bestowed upon the negro slaves, by every prudent arrangement. An ordinance to this effect was published during the administration of Pombal's brother. And when we consider the dangerous proportion of negroes in Brazil, † their licentious lives, and the still more profligate state of society among the whites, we shall be inclined to admit that this deviation from the ancient maxims of Portuguese and Spanish policy is justified by prudence, as well as recommended by humanity. It is not probable, however, that any sensible effects have as yet been produced by this edict. It only serves, among many other instances, to prove how little of system or general plan there has been in the whole colonial and domestic policy of Portugal during the period when other nations were continually introducing regularity and arrangement into their œconomical measures. *

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† Note X.

* Burke's *Europ. Settl.* part IV. chap. III. IV. V. —Cunha de Continho *Enfajo*, &c. part I. chap. 8. & 9. —Dumourier, *Etat present*, liv. II. chap. III. & IV. & Conclusion, Liv. IV. chap. V.—Raynal, *Hist. Phil. et Pol.* III. &c.—Murphy's *State of Portugal*, chap. XV. —*History of Brazil*, (apud Harris) II. 166. & seqq.—Ricard, III. 649. et seqq.—*Econ. Polit. et Dipl.* I. 396. et seqq.—*Report of Com.* 1789. part VI.—*Anecdotti de Pombal*, tom. I.—Arnould, *Système Marit. et Pol.* chap. II.

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3. We have thus seen, that Portugal, like Spain, has studied, as it were, to derive the least possible benefit from her colonial empire. But it will still appear evident, how greatly the mother country must have been influenced by the fates which that empire experienced, if we attend to the critical periods when the different revolutions took place. At the death of King Sebastian, Portugal had attained to the highest pitch of glory that she had ever reached, and the greatest degree of solid commercial prosperity that she had ever possessed. The subjugation to Spain, which immediately followed the calamitous defeat at Alaziquiver, threw the whole resources of the state into the hands of weak and despotic princes, who ruined, by misrule of every sort, their own hereditary dominions, and treated their new province with a cruelty and injustice altogether unexampled in the history of modern Europe. The reign of the three Philips over Portugal, was marked by every measure that could work the ruin of a flourishing country. An insane spirit of national hatred presided over the councils of these infatuated tyrants, who were actuated by the same motives towards the natural rivals of Spain, after they had become their own subjects, as if the two countries had still belonged to different crowns.

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To all the vexations which harassed, and the burthens which oppressed the Portuguese at home, during this calamitous period, was added the loss of Brazil, occasioned by the wilful and wanton jealousy of its new master; and regretted by him, when too late, only to furnish a pretext for draining the mother country, to supply vain attempts at a reconquest.

Under the pressure of so many disasters, the trade of Portugal, and its internal industry, were only supported by the African and East Indian settlements, which still remained entire. But unfortunately, about the period when the Dutch were expelled from Brazil, and that valuable colony restored to the new dynasty of Braganza, almost all the East Indian and African conquests were rapidly lost, and the mother country plunged into a war of twenty-eight years with her powerful and inveterate neighbour. We may here remark the difference between the tenures by which conquered provinces and colonial establishments are held. After the American settlements, peopled in part by the Portuguese and their descendants, had been lost to Holland in consequence of the worst system of government and œconomy with which any state was ever afflicted, a change of measures rendered the reconquest easy, because the natives had been transferred

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to a foreign yoke, and eagerly seconded every attempt to reunite them with their parent state. But when the East Indian and African provinces were seized, it was not possible to regain them by the same means. The conquered countries were held, as they had been obtained, by the sword; and the inhabitants, far from preferring the continuance of the first yoke, were glad to see any change effected, which would, at least, vary, if not alleviate their oppressions. All the capital, industry and skill employed directly in colonial possessions, or in lines of occupation subservient to colonial trade, is securely and profitably vested, and depends little on the chance of war. But a nation ought never to employ much of its stock in the agriculture or manufactures of conquered provinces, or to direct a large share of domestic industry into those channels which are exclusively subservient to the supply of such settlements, from the same principles of caution that regulate a private trader in the employment of his stock or labour, and prevent him from staking any considerable part of either upon hazardous adventures, notwithstanding the chance of immense gains. Both the nation and the individual may prudently take the chance of making those profits upon such part of their capital as they can lose without being ruined. Almost all the Asiatic possessions of the

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 of conquered provinces, than colonies. In many of them, however, the plan of colonization has been partially introduced—most of all in the English and Dutch settlements—least of all in those of the Portuguese.

Portugal then experienced an irretrievable loss in the ruin of her rich East Indian commerce, and the diminution of the traffic formerly carried on with Africa. The restoration of Brazil was not sufficient to repair so grievous an injury. The trade with that colony was far inferior to the East Indian trade; the temporary possession of which had diverted the capital and industry of the mother country into channels which were now for ever closed. The advantages of the new government were counterbalanced, partly by the evils of the *acclamation* war, and partly by the impolitic measures of the Braganza family. During the remainder of the seventeenth, and part of the eighteenth century, Portugal continued in that course of decline which the Indian commerce had retarded, or perhaps concealed, while the tyranny of Spain was exercised over the European territories. That decline, then, may be dated from the death of Sebastian, when the country ceased to possess her former extended empire, and only retained, at different times, different branches of her foreign dominions.

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nions. After all, the decline of Portugal is not so general as that of Spain. The only part of the Portuguese prosperity which has been lopped off, is the benefit derived from Asia and Africa. During all the misfortunes to which the state has, for two centuries, been subjected, the population has increased with considerable rapidity; and notwithstanding the most complicated system of finance, to which any nation is subjected *, the revenues have, of late years, been greatly augmented, and considerable reforms have been introduced into the mode of management. A better system of colonial and domestic policy would, without doubt, render Portugal capable of once more assuming a high rank among the European powers, with the large and fertile dominions which she still possesses.

The importance of Brazil to the mother country may easily be estimated by a few simple considerations. That colony is better governed and peopled than any of the Spanish dominions; its position is more compact, and its force more concentrated. Its proximity to Africa, and connexion with the Portuguese settlements there, give the colonists an advantage not enjoyed by those of Spain, the greatest facility of increasing their cultivation by means of negroes, while the

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admixture

* *Memoires concernant les droits*, tom. 1.

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 of the most warlike tribes, renders the use of this
 advantage as safe to the colony, as the smaller
 proportion of the negroes is to Spanish America.
 The weakness of the mother country, is thus, in
 some degree, balanced by her colonial resources
 in the neighbourhood of the distant provinces of
 her natural enemy.

But farther, the possession of Brazil gives
 Portugal no inconsiderable weight in the conti-
 nental politics, by procuring for her the alliance
 of those maritime powers who are nearly inter-
 ested in the South American trade, and who
 only obtain access to it through the medium of
 the mother country. So long as war continues
 to affect the intercourse of private trades in hos-
 tile states, we may expect to see the relations of
 amity carefully preserved between Great Britain
 and Portugal; and as long as political consider-
 ations influence the European cabinets to grant
 favourable treaties and privileges of commerce,
 and to impose prohibitions upon mercantile in-
 tercourse, we may be assured that the interests
 of Great Britain will induce her to succour the
 state which possesses Brazil, lest its subjugation
 should throw impediments in the way of the
 South American traffic.

Lastly, the possession of this noble colony, be-
 sides yielding a considerable clear revenue to the
 mother

mother country, (above one-fourth of the whole national income), is the source of a great proportion of her whole commerce. The imports from thence are nearly equal to the whole imports from the other countries of Europe. What an immense part, then, of the whole national wealth, is derived from so extensive a home trade! How few commercial countries in the world are composed of contiguous provinces, between which the intercourse is so important, in comparison of the whole foreign intercourse of the state! Besides all the internal traffic of both the European and American branches of the Portuguese empire, the mutual trade of these two branches is almost as great as the trade of both together with all foreign countries. *

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The remarks which I have to offer upon the colonial policy of Sweden and Denmark, must, of necessity, be very few. This is a subject of very trifling importance: and it only derives interest from shewing how ridiculously the same system of monopoly that we have been contemplating in France and Spain, has been followed by the states where such schemes were most pre-

H h 3

posterous

* Murphy's State of Portugal, chap. XII. XVII.—Dumourier, Etat, Liv. IV. chap. V.—Econ. Polit. (Encyc. Method.) I. 412.—Boetticher's Statist. Tables, No. XI.

BOOK I. } posterous and unnatural. It shews us, too, the opposite side of the picture which we have been contemplating; for the colonies of Sweden and Denmark are too insignificant to influence, in any considerable degree, the prosperity of the parent states, and bear a less proportion to the whole imperial resources, than those of any other nation.

The exclusive companies, which, for a long series of years, monopolized all the colonial trade both of Denmark and Sweden, were necessarily more hurtful, in proportion to their magnitude, to the prosperity of those countries, than the exclusive companies, which have at various times been established in more opulent states. These institutions arose from a desire, on the part of government, to acquire foreign dominions, when the contiguous provinces were desolate for want of cultivation, and to encourage the more distant branches of trade; when only a very small number of capitals fit for such speculations had been acquired, and when all those capitals could not nearly fill up the channels of domestic industry, and of the nearer foreign trades. The consequence of the monopolies has been, the attraction of a great deal more of the small national capital to the East India trade, than would have gone thither naturally; and the exclusion of a small part of that capital which

which would have gone to the West India trade and cultivation. The whole effects have been unimportant, only because the Asiatic and American concerns of the two nations have been always extremely limited: but in proportion to the extent of the colonial possessions, and the magnitude of the corporations entrusted with the management of them, the consequences of the exclusive system, partly in attracting and partly in repelling the capital and industry of the mother countries, have been the more strongly felt, both by the colonies and the parent states, as the parent states are much poorer and less advanced in commerce and cultivation, than any of the other colonial powers. For the same reason, those exclusive companies of Denmark and Sweden furnish still more striking instances of the natural imbecility and evils of such institutions, than any which we have hitherto contemplated, or shall meet with in the remaining part of this Section.

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1. About the beginning of the seventeenth century, Denmark acquired a few small settlements on the coasts of Coromandel; and in 1616, these were given up to an East India company, endued not only with the exclusive privilege of trading to the East, but clothed also with the powers of civil and military administration.

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tion. In 1634, this corporation owed the government a sum nearly equal to the value of all its possessions : it was then dissolved, and another substituted in its place, with similar privileges. After a few years of considerable prosperity, this company also rapidly declined ; and in 1686, a third institution was tried for the same purposes. This too failed in about twenty-three years, and the project was tried for the fourth time in 1732. From the charters which all these companies enjoyed, it is abundantly evident, that the remark of Ustaritz, formerly * alluded to, has no foundation in fact ; and that in the most despotic countries with which we are acquainted, companies have been established with a delegation of some of the sovereign power over the distant provinces. But although the jealousy of the Danish princes towards such corporations, is far from being remarkable ; the ill adaptation of the Danish mercantile resources, for supporting any trading companies of this description, rendered all the concessions of prerogative unable to preserve the existence of members so unnatural to the constitution of the community. New and more ample grants were necessary ; and the last establishment, in 1732, was accompanied with these, in an unlimited measure

* Part II.

measure of royal bounty. The new company was to trade, without any restrictions, to all the parts of the world that lie east of the Cape; with this trade no other Danish subject was permitted to interfere; and the competition of all foreigners, either in the Danish possessions abroad, or in the markets of the mother country, was strictly prohibited by positive laws. The East Indian settlements were delivered over to the company, in full possession and sovereignty, with all the rights attached to property and dominion; they were not bound to render any account to government of their proceedings, nor to sell their cargoes in any particular markets; they might, if they found it profitable, trade entirely with foreign states, and never bring home a ton of colonial produce to the mother country; finally, they were exempted from the use of stamp paper in any of their transactions, and were not obliged to pay government any premium for the charter, or to make any composition for such extensive privileges, except a trifling per centage of one and a half on their sales in Denmark, and one on their sales abroad; which last duty, it is very evident, could never be exacted. The possession of these powers, as might be expected, preserved the existence of the corporation, and increased the profits of the stock-holder, at the expence of the country and the Indian settlements. In 1772, the

BOOK I. the charter expired, and was renewed under restrictions which, while it proved ruinous to the prosperity of the company, evinced how much the gains of the monopolists had attracted the views of speculators towards the least advantageous of all the Danish traffics. The China trade remained upon its former footing of a strict monopoly; but the Indian commerce was thrown open to all Danish subjects, on the payment of four and a half per cent. to the company. The possession and government of the settlement, however, remained in the company's hands, and enabled them to check the competition of private trades; nor was it until the year 1777, when the King purchased the rights of the company, that the private trade began to flourish. The price paid for this property shews how little the concern was flourishing; it amounted only to 170,000 Rix dollars*, or between one third and one fourth of the value of a single year's importation under the charter of 1732, at an average of the first thirteen years. When the charter was renewed in 1792, for twenty years, the private trade was rendered still more free; all Danish subjects, and all foreigners, were permitted to trade with the Indian settlements, upon receiving passports, either from Copenhagen or the Asiatic seats of government, and

L. 34,000 sterling.

and upon condition of returning to Copenhagen with the cargoes ; a singular mixture of free and exclusive arrangement ; partly resembling the ancient, partly the modern policy of Spain, and partaking both of the East and West Indian policy of the more enlightened European powers.

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The liberty granted to private traders has had the effect of attracting to the Indian commerce, several capitals both foreign and Danish, tempted, in all probability, by the facility with which the traders can combine among themselves, and with the Company, to regulate the market. The whole private trade is nearly equal to the trade carried on upon the Company's account ; and one third, or one fourth of the capital which supports it, belongs to the country.

The commercial prosperity of both Denmark and Sweden, is always affected, in the highest degree, by the relations of peace or war subsisting between the great mercantile States of the Continent. Like the Hollanders, in the earlier period of their history, and at different periods of their subsequent decline, the natives of the Northern kingdoms always endeavour to profit by the dissensions of their neighbours, and preserve neutrality as much as possible, consistently with the most relaxed ideas of national honour. In all the wars of the last century, particularly those in which the Dutch were engaged as principals,

BOOK I. principals, the Danes and Swedes, but particularly the former, obtained a large share of the carrying trade of Europe. And the colonial commerce of those States received its share of the general increase. The American war contributed so much to the prosperity of the Danish East India Company, that the actions sold in 1782, at 18 to 1900 R. D. the prime cost having been 500. In that year, the dividends were as high as cent per cent on the original purchase money; and in the subsequent peace, they fell to forty or fifty per cent. and the price sunk in proportion, being only 700 R. D. in 1788, and 420 to 440 (considerably below par,) in 1790. The average gain from 1783 to 1790, was about 9½ per cent. upon the original price—or, taking 800 R. D. as the medium market price, 6 per cent.; a greater profit than any other East India Company has made; and only ascribable to the extensive privileges of the corporation, the restrictions on foreign importation, and the small competition of capitals in the Danish market for the Company's stock.*

The West Indian policy of Denmark, altho' much extolled by almost all writers, has not been

* Voyage de deux François, I. 250.—Catteau, Tableau des Etats Danois. I. 75.—II. 329, & seq.—Commerce (Encyc. Method.) I. 699.

been so remarkable for uncommon liberality of views, as its East Indian administration. In 1735, the three West Indian islands which had been acquired, partly by right of occupancy, and partly by purchase, during the half century immediately preceding, were given up to an exclusive company in full property and sovereignty. The manifold abuses of the administration soon excited so much discontent, both in the colonies and among the merchants of the mother country, that the King (1755) purchased the whole rights of the exportation for a sum not exceeding half a million of R. D. and laid open the trade to all his subjects, under conditions which varied from time to time; until, in 1777, the Spanish method was followed as it had been in regulating the Asiatic commerce; and all vessels from the colonies to the mother country were obliged to land their goods at Copenhagen. This restriction, together with the wish of rich individuals to profit by the American war, soon led to a complete restoration of the former system; and a West India company was again established. Their gains, during that contest, were extravagant, amounting frequently to a hundred per cent. in one year. But the prosperity of the institution ended with the war; and, in 1785, the actions were given up to Government. Since that time the system has been more wise and

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I. and liberal, although it is still extremely anomalous, and, upon the whole, inferior to that of Holland, France, and Britain. All returns from Santa Cruz, (the value of which is ten times greater than the joint value of the other two islands,) must be made, either to Copenhagen, or to some other town that has the privilege of erecting sugar refineries: and this privilege is not enjoyed by some of the chief trading towns in the realm—as Altona; and, I believe, all the Norwegian ports—which are, evidently, better calculated for the colonial trade than the capital itself. The value of the other two islands being utterly insignificant, in an agricultural point of view, they are permitted to enjoy a free trade, not only with the mother country, but also with foreigners, under certain limits. Since 1793, too, the free exportation of cotton from Santa Cruz, has been permitted, on payment of $7\frac{1}{2}$ per cent. duty.

The whole produce of these settlements is inconsiderable, when compared with the rich returns of the British, French, and Dutch colonies. But, to a country situated like Denmark, requiring every stimulus to industry, and extremely deficient in improved land, even this small exportation is no trifling matter. The chief of the Danish merchants and planters would, indeed, be better employed in extending their

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their European trade, and cultivating the extensive wastes of Norway, Jutland, and even Holstein, the granary of the kingdom. But, in estimating the value of the colonies, we must attend to the quantity of capital fixed in them, and not transferable to the mother country; and, in computing the importance of the colony trade, we must consider the small probability there is that men will turn their capital and labour towards the employment most profitable to the country, even if the Danish colonies were suddenly sunk in the sea, while other settlements of the same kind remain open to their speculations, peopled, as it happens, by the natural countrymen of the Santa Cruz and St. Thomas planters and merchants. The West Indian trade being composed partly of returns from the Danish colonies, partly of the carrying trade with other settlements, varies according to the relations that happen to subsist between the neighbouring powers. In 1754, it employed only seven ships, as the company then existed, and the whole of Europe was at peace. In 1782, it employed 246, in 1783, only 91; and in 1793, between fifty and sixty. These vessels being from 80 to 120 tons burthen, the whole tonnage employed in the colonial trade, bears a great proportion to the tonnage employed in some of the most extensive and profitable of the other home trades,

viz.

BOOK I. viz. those between the contiguous provinces:
 It is more than double the Iceland and Greenland tonnage, and nearly one-fourth of the tonnage employed in the trade between Norway and the capital.

The revenues of the whole colonies are trifling, and not more than equal to the expence of the establishments. The administration of West Indian affairs is in the hands of the Chamber of Customs; and the superintendance of East Indian government is committed to a Board appointed for the purpose on the expiration of the present Company's first charter; and resembling, I believe, in its functions, the English board of controul. In all the settlements there are governors, with separate commanders of the troops, and councils of administration *.

2. Trifling as the colonial possessions of Denmark are, they far exceed in extent and value those of Sweden; the only colonial power whose foreign dominion is intirely confined to the West Indies. The East India trade, which is now very trifling, has always been in the hands of an exclusive

* Voyage de deux François, I. 252, & seq.—Catteau, Tableau, I. 78, 85, 97, 113, 223, 236.—II. 318, & seq.—Burke's European Settlements, p. 4. Chap. VII.—Smith's Wealth of Nations, book IV. Chap. VII.

clusive company; but the state has never acquired any possessions in Asia, a circumstance which has probably a favourable influence on the prosperity of the institution. In the earlier part of the seventeenth century, when the wise and vigorous administration of Gustavus Adolphus imparted new energy to all the operations of industry and the spirit of adventure; part of the scanty population of Sweden emigrated to North America, and settled on the banks of the Delaware. The particular history of this colony is as obscure as it is unimportant: we know, however, that the settlement, although placed under the management of a company, attracted little or no attention from the mother country, and was in fact given up without any other notice than a slight representation from the Swedish resident in Holland to the Dutch, who, in the year 1655, incorporated it with their own continental colony; to which, when thus increased, they gave the name of *Nova Belgia* *.

From this period the Swedes possessed no colony whatever, excepting one on the trifling stations on the gold coast, until the year 1784, when as an equivalent for some commercial privileges in the Baltic, they obtained from France the only colony in their possession, the Island of

* Thurloe's State Papers, apud Anderson, II. 433.

BOOK I. St Bartholomew. The consequence of this acquisition was a West India company, founded in 1786, with the exclusive privilege of trading to the West Indies, including the new colony. There is something peculiar in the constitution of this privilege, and indeed in the whole arrangement of the institution. All the Swedish subjects are permitted to become subscribers to the stock, which of consequence is not limited like that of all the other colonial companies in Europe. The benefit acquired by subscription, is the right of trading to the countries comprehended in the charter, and of using the company's warehouses. So far the corporation resembles the various regulated companies which have at different times been formed in Great Britain and other countries. But in this respect it seems also to resemble a joint-stock company; that independent of the private trade, the common fund is used in joint speculations. These, we may observe, must inevitably be speedily stopt by the competition of the private traders, whose interest in the common concern is very subordinate, unless the number of capitals drawn into this traffic be very limited. Farther, the directors of the company are chosen not by the subscribers, but by the crown; but no premium is paid for the charter, nor any yearly tribute or duty whatever; and, what is not the least singular mixture in the composition

composition of this body, all the vessels engaged in the trade must both sail from, and return to Stockholm or Gottenburg. This species of restriction, is more consistent with the general spirit of the Swedish mercantile law, than with the economy of Spain, Portugal or Denmark, where it has also been adopted for many ages. Besides, the law, analogous to the English Navigation act, first passed in 1724, and revived and confirmed by the famous bill of 1772, the ancient policy of the kingdom limited the freedom of foreign commerce in a manner perfectly unknown in any other part of Europe. The privilege of passing the Sound was confined to the traders of a few sea-port towns, including of course Stockholm and Gottenburg. Previous to the year 1756, the whole province of Finland was included in this restriction, and its vessels thus confined to the Baltic and the two gulfs; and to this day the number of staple towns, as they are called, or ports which can trade beyond those seas, is very limited. No addition could be more natural to such a system of restraints than the limitation which I have mentioned, of the West Indian trade to certain favoured ports.

The whole commerce of Sweden with the West Indies is trifling, in proportion to the small extent of colony, and the duration of peace a-

BOOK among the neighbouring settlements. The value of the goods imported from thence in the year 1785, did not exceed 13,400*l.* sterling; and, admitting that the exclusive care of the government, and industry of the planters have rendered the settlement doubly productive since the cession, a produce worth 27,000*l.* is so contemptible, that we should not have regarded the colony from whence it is obtained, had not the peculiarities of the policy which regulates its mercantile connexion with the mother country appeared to deserve some notice*.

PART IV.

OF THE COLONIAL POLICY OF FRANCE AND ENGLAND.

THE peculiar circumstances of all the European powers whose colonial policy I have already explained, place them in such predicaments with respect to their colonies, as may be fairly reckoned to form extreme cases. It was, therefore, necessary to enter fully into a detail of their colonial relations, for the purpose of shewing

* Catteau, *Tableau de la Suède*, tom. II. P. 76.—*Voyage de deux Francois*, II. 436.—*Anderson's History*, III. 378.—*Econ. Pol. dip. (Encyc. method)*, IV. 281.

ing how the peculiarities in their situation tended, either strikingly to illustrate, or to modify the practical application of those general principles, which it was the object of the foregoing sections to establish. Without minute discussions of this kind, no inferences from political theories to the conduct of human affairs, can be useful or safe. The details, too, into which I have entered, are so far essential to the support of the general principles themselves, that they furnish a sufficient explanation of many apparent anomalies in the theory suggested by the existence of extreme cases. Thus the nature of the Dutch colonial system affords various strong illustrations of the positions formerly laid down; while an examination of the Spanish and Portuguese policy removes many objections that might otherwise have been urged against the validity of those positions.

But, as the general principles in every subject of this kind naturally refer to the medium or most ordinary cases, it becomes unnecessary to enter fully into their application to such combinations of circumstances: as every one of the arguments, maintained in the first and second sections of this present inquiry, bear an immediate relation to the colonial systems of England and France, the application was naturally made in explaining those arguments. Almost all the il-

BOOK I. Illustrations which I intend to give, were drawn from the actual relations subsisting between the two great maritime powers and their foreign settlements, either in the former period of their history, or at the present time. The details too, which compose this branch of the subject, though multifarious and complicated beyond those of the other branches, are, in general, much better known, as they have been given to the world with extreme accuracy and minuteness, by various authors; and since the maxims which I have attempted to explain, furnish the means of arranging this mass of information, the reader will easily finish the application of the general principles to the facts, in so far as I have been obliged to leave it incomplete. Without entering, therefore, into a minute description, either of the French or British colonial system, which would be partly a repetition, and partly superfluous, I shall employ the remaining portion of this book, in offering a few remarks upon some things that have been much misrepresented, and in exhibiting such general statements as may enable us to form an estimate of the comparative advantages derived by France and Britain, from their colonial possessions.

I. The events which have, during the last twelve years, taken place in the West Indian colonies

lonies of France, deserve some consideration in a preliminary point of view. The tendency of those unparalleled changes has been, to effect a temporary dissolution of the federal system; and it is the decided opinion of many practical, as well as speculative politicians, that consequences may be apprehended from the shock, immediately fatal to the ancient order of things in the French West Indies. In estimating the present importance of these colonies to their mother country, it is necessary to consider whether the continuance of their connexion with her is likely to be short and uncertain. And this inquiry becomes necessary also in a general point of view; because, from the structure of the West Indian system, a recurrence of the same events may be, with some reason, apprehended; and because, (as we shall afterwards see,) the fate of all the other West Indian colonies is intimately connected with that of the French power in Guadaloupe and St. Domingo. In considering the probable effects of the recent struggles in the French Islands, our attention is naturally directed to the character of the Negroes, and the circumstances in which they are placed. If men, in a rude state, are remarkable for the violence of their passions, they are, at least, as much distinguished by unsteadiness of purpose. Devoid of that self-command which controuls the first ebullitions

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tions of rage, and directs the strength of the mind and the body to the attainment of one object, they are incapable of long continued exertions, whether of feeling or of power; and the storm, quickly raised to violence, soon expends its fury. Theirs is not that cool, determined, passive courage which awaits the hostile attack, and submits to immediate annoyance, that its well-timed exertions may be fatal and decisive. The fury which impels them is a momentary convulsion of courage—if the first onset is resisted, a more lasting convulsion of fear succeeds. Thus fickle and inconstant in each particular attempt, it would be strange if the character of their minds should be changed by a repetition of the same exploits. When, indeed, the authority which more cultivated men have acquired over these barbarous tribes is once overthrown, it may be more difficult to re-establish, than it formerly was to preserve subordination. But this is very much the case of all those changes which have ever convulsed human society. The terror of the Negro for the white man, is not, as some ingenious writers have supposed, * a peculiar feeling—it is founded upon principles which extend to all kinds of authority, and lays the foundation of every species of regular sub-
jection.

* See particularly "Crisis of the Sugar Colonies,"
Rassim.

jection. The opinion that a change is dangerous ; that conformity to certain established principles is a duty, not because these are well founded, but because they exist ; that submission to certain orders of men is necessary, not because they have the natural right to power, but because they have, in past times, been possessed of it ; this mere opinion—this habit of thinking is, in every society, the master principle which maintains the existing order of things, and renders the majority, who could not fail to profit by any change, and who, if united, could in a moment bring any change about, subservient to that system in which accident has placed them. But, if there is in the human mind, a foundation for such habits, their influence in restoring regularity to the fabric, which temporary causes have deranged, must be very powerful, though certainly less effectual than their tendency to prevent all violent disorder. If the difference of degree, in the subjection of the Negroes, has increased the terror of attempting to shake it off, and trained their minds to a more awful regard for the privileges of the superior class, we may be well assured, that any sudden deviation from such habits, cannot be lasting ; that the principles of submission remain, and that the original impression will return with its accustomed force, as soon

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unnatural, shall have subsided.

Men who have been long accustomed to servitude and dependence, are unfit for liberty suddenly acquired. They may employ the first moments of their emancipation in the unbridled revelry of freedom; and, for some time at least, may look with horror to a renewal of their bondage. But that state of licentiousness, which at a distance appeared the perfection of happiness, is found, on a nearer survey, to have its sorrows and its cares; and, by being for a while possessed, loses half its charms. Nor are we to suppose, that the mind of the African is of so peculiar a structure as to receive unmingled satisfaction from a retrospect of all the cruelties in which the first volleys of his licentious rage delighted to revel. Like the mobs of more civilized communities, the rebellious slaves in the West Indies expiate, by the feelings of remorse, the sanguinary excesses of their revolutionary phrenzies. Although, at first, the leaders of such mobs, can only command by conforming themselves to the prevailing spirit, and by yielding to the torrent which they cannot resist; in the interval of quiet that succeeds, they are implicitly obeyed, and the evils of the past tumults prepare the multitude for abject submission. Thus, to any rapid and violent change in the situation

ation of a society whose advancement towards liberty has not been sufficiently prepared by a train of previous events, a retrograde motion generally succeeds for the present, as soon as the first tumult has subsided. But if the progress of the society was totally checked before the change, the liberty suddenly imparted must degenerate into licentiousness and confusion; and the restoration of any regular government whatever, will, in all likelihood, be immediately followed by a total relapse into the former state of inactivity. In the revolutions which have convulsed France, as well as in the changes, scarcely more lamentable, which have produced a new order of things among her barbarous subjects in the colonies, the excesses of lawless anarchy prepared the way for usurpations and dynasties still more despotic than the ancient system. The full accomplishment of this event seems already to have happened in the mother country; let us see if it is not fast approaching also in the colonies.

Whatever enormities may have been committed, in particular plantations of St. Domingo, against the white inhabitants, it is evident that a complete alienation from the mother country never took place. The French still retained a footing in the island. Toussaint and Rigaud alike pretended to act under the authority of government; a proof rather of the ascendancy
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which the French have retained over the minds of the negroes and mulattoes, than of the fear which their leaders had of opposition from Europe. When the negroes had finally subdued the mulattoes, they found that the yoke of their European masters was only exchanged for the yoke of the chief, whom they had enabled to conquer; under his system of military discipline they found themselves forced, as formerly, to labour on particular plantations. The French expedition arrives; all the powers of European intrigue are put in motion; the negro generals are divided by the skilful management of their former masters; all open resistance is borne down, by the superior tactics and discipline of the whites; the troops which had hitherto been victorious are scattered, and their leaders contumeliously displaced. All this might have been easily foretold; but it is not likely that the conquest will stop here. Symptoms may be expected soon to appear, of that "nameless dread" of a white man, which was formerly the chief security of masters. Admitting this feeling to be of the most peculiar and delicate nature, are there no instances of such spells being restored after some sudden interruption? Is the human mind so easily weaned from the influence of early prejudice? Or is the principle in question likely

likely to cease, after events have taken place which render it more natural than ever ?

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In spite of all the profound veneration for the Sultan's name, which habit and religion infil into the constitution of the Eastern nations, violent insurrections not unfrequently break out; the head of the obnoxious vizir is thrown to the mob, and the mandates of despotism soon regain their omnipotence. Surely the power that makes a man kiss the axe which is lifted to destroy him, depends upon some nameless ideal terror, equal to any that can be ascribed to the slave system; yet we find that the spell, whatever it is, survives an interruption. The subjects of Montezuma cheerfully devoted their lives in his service, while they trembled at his name. Exasperated by a sudden impulse of fury, they dared to lift their hands against his sacred head; but no sooner had he fallen, than deep remorse took possession of their breasts; the ideal dread of the prince returned, and the power of his successor was absolute over the minds of the people by whose hands Montezuma had fallen. All the natives of the New World were impressed with a belief, that the Spaniards were a race of superior beings; every diminution of their numbers in battle, undeceived, for a while, those simple enemies; but their final success rooted the

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BOOK I the superstitious notion, perhaps more deeply than if they never had been opposed.

But to come still nearer to the case in question—Although no instance ever before occurred of negro insurrection carried to such extremities as those which marked the contests of St Domingo, many examples have unhappily been displayed in all the European colonies, of general and violent revolts, quelled by the vigour and the policy of the civilized inhabitants. In the British West Indies we shall only mention, the formidable insurrection of 1760, which appeared to have spread over a great part of Jamaica, and which was marked by all the indiscriminate cruelty of negro warfare—the general conspiracy of the negroes of St Christopher's in 1768, and of Nevis in 1761; both detected on the eve of execution, and the insurrections in the ceded Islands in the year 1795. All these rebellions, however, were trifling when compared to the regular warfare which the insurgents carried on in Surinam, first in 1761, and afterwards in 1772; or the still more formidable regular rebellion of the Indians, assisted by the negroes, which about the same time threatened the empire of Portugal in South America. Something of the same sort took place in the Spanish colonies of South America, nearly at the same time. The constant state of warfare in which the Maroons of Dutch Gui-

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iana have remained with the whites for above a century, has caused the colony to be surrounded with a regular cordon of troops, and chain of military posts. Various insurrections have disturbed the peace of the settlement. Sometimes the negroes have been completely successful, as in the year 1763, when the colony of Berbice was wholly in their possession; until, weary of a state of unbridled licentiousness, unnatural even to the most savage tribes, and fatiated with the possession of an independence foreign to their habits, they submitted voluntarily to their old masters, and quietly returned to their former labours. In all these instances, the yoke was either thrown off, and afterwards restored, or it was maintained by a discovery of conspiracies to break it, matured to the very point of execution. It is evident that if the authority of the Europeans over their slaves in America were formed entirely upon a mysterious feeling of dread, to which every interruption is fatal; the insurrections just now mentioned, could never have been subdued, nor the conspiracies prevented, without extirpating all the negroes engaged in them. The spell appears, indeed, not to be so easily dissolved as some desponding politicians have apprehended. Founded in the circumstances of their situation, although it may for a while be violently suspended, it will return with the succeeding moments of repose

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It would appear that there is no medium in the enterprise which now occupies the colonial councils of France; a partial success is scarcely to be wished: if a considerable part of the negroes retain their independence by force, it will not be possible to keep them under subjection; or to prevent those who are free, from turning their arms at every opportunity against the Europeans with all the advantages of their habits and constitutions; and if, as appears already to be the case, the whole black population are reduced to nominal submission, they will form a separate order

der of men, needy and oppressed; once habituated to idleness and licentiousness; possessed of legal rights, but unfit for the enjoyment of any important privileges; a distinct and subordinate class in a community, which their numbers could overwhelm; ignorant of the wants that render the lower orders industrious in civilized states; fit only for those exertions which fear excites, and that subjection which is maintained by the lash and the chain. The necessities of their situation, then, must induce the French in St Domingo and Guadaloupe, strenuously to attempt the completion of the negro subjugation, if they wish to retain the possession of their West Indian colonies.

In estimating their chance of success, much has been thoughtlessly said upon the peculiar difficulties of subduing men armed with all the motives and desires of rebellious slaves. But let it be remembered, that if, in one point of view, the task is arduous; on the other hand, the colonial government meets the difficulties of its situation, in the supposed crisis, with resources far more powerful than those of the best arrayed system of military despotism which ever was pointed to crush an ordinary revolt. The negroes are already, we have supposed; by the superiority of European policy, reduced to the state of free labourers distributed over the plantations. Let the government but give the signal

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for pursuing any of those measures which must be followed with a certain degree of care and management, in order to convert the labourer into the slave; the ordinance is executed, not by mercenary troops, nor *marechauffée*, nor national guards, but by the proprietors of the soil, who are in the first instance to reap the whole benefit of the change. The insurgents are divided and intimidated; they are watched by men whose lives and fortunes are staked upon the maintenance of peace, the suppression of liberty. Instead of the schemes of one commander, bashaw, or consul, influencing some by threats, and gaining others by bribes, to keep down a spirit which he alone is interested in crushing, the French West Indian colonies present the view of a government, and every one of its agents, from the general to the drum-boy, all systematically occupied with the same design; constantly prompted, by the most powerful motives, to devise means for its execution; and guided in their attempts by the most intimate acquaintance with the subject. Before such a combination, it is easy to conceive how quickly the limited freedom of the negroes will fall; and how soon we shall be again able to say of the West Indian agriculture, '*Nunc eadem arva vinceti pedes, damnatae manus, inscripti vultus exercent.*' *

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* Pliny.

When we consider, then, the circumstances of the islands, we cannot entertain any great dread of the French colonial system being near its end. It will in all probability be speedily re-established, although on a foundation much less secure, and with various marks of inferiority to the general stability of the British colonial empire.

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2. The devastations which were committed, almost without interruption, during the first years of the rebellion, and those losses which the restoration of the yoke must necessarily occasion, constitute another circumstance in which the value of the French colonies may be admitted to fall greatly short of the value of the British settlements. We may remark, that, even during the most flourishing periods of the French colonies, their cultivation depended upon a much more extensive system of credit than the agriculture of the British colonies requires. This arises partly from the superior temptations which the more fertile and extensive lands of the former hold out to speculations; partly from the greater deficiency of capital, both among the colonists and their creditors; but chiefly from the defects in the French laws respecting the recovery of debts. The French colonies, indeed, exhibit, in this point of view, one of

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the most singular spectacles of contradiction and apparent inconsistency that can be imagined, to baffle the speculative legislator or politician. Though the planters exist upon credit, to such an extent, that their debts before the revolution were reckoned at the value of two whole years produce of the islands, the security of the creditor was more precarious than in any commercial country with which we are acquainted. Unless in some special cases (as claims of the Crown, and bill debts), the person of the debtor could not be attached; his stock could not be distrained without a sale of the estate; and, in order to affect the estate, a litigation so complicated, tedious and expensive, was necessary, that the creditor seldom or never obtained payment by these means. * Hence, the profits of the creditor were enormous; and the greatest premiums were paid for ready money in all transactions of trade. We are informed that in the purchase of slaves, an abatement of twenty *per cent.* was not at all uncommon for cash. † The only resource of the oppressed debtor, on the other hand, was a new loan. But as the loan of money or any other article of value easily transportable, would, in these circumstances, have been attend-
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* Laborie's Coffee Planter, Append. III. 42.—Mau-
louet, Mem. sur les Col. Tom. IV. p. 130.

† Id. *ibid.* 137.

ed with great temptation to the one party, and risk to the other, all new assistance was given in negroes ; which enabled the planter to procure some additional returns, to realize a little for himself ; and to leave the estate, with all its perpetual and increasing incumbrances, to another who succeeded him in difficulties and toils.* Thus, a very singular consequence resulted from the nature of the French colonial law. The very circumstances which we might have thought fatal to credit, the difficulty of forcing repayment, continually multiplied the debts which the planters contracted with their European correspondents. It is easy to imagine how much more frail the agricultural system of those colonies must have been rendered by the calamitous events of later times. The vast extent of the losses occasioned by the rebellion and the naval war, and the accumulated interest of old debts during a period when scarcely any returns were obtained, must render credit more necessary, and more expensive than ever. We may indeed conceive some idea of the complicated difficulties under which the French planters labour, by attending to the proposals which some of the most enlightened of their numbers have made to the Government, with a view to procure assistance.

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‡ Malouet, Tom IV. p. 134.

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ance. I shall only mention the project of M. Malouet himself, one of the chief sufferers in the cause, and perhaps the best informed of the French writers upon colonial affairs. He considers a deduction from the total amount of each debt, or a suspension of all interest during a term of years, as the only remedy for the difficulties of the case, and that this measure is dictated by urgent necessity.*

But, not to mention the extreme injustice of making the creditor, who had only a stipulated and certain profit, share the risks of the planter who enjoyed all the benefit of the overplus gains and excessive returns; and of obliging the creditors, rather than any other inhabitants of the mother country, to indemnify the colonists; it is clear that such a measure would produce the immediate effect of tearing up by the roots every sugar cane in the islands: for who would be bold, or rather foolish enough, to venture his money in farther loans, when the government had abolished all the gains due to the former loans, or had cut down the principal itself? As well might a minister of finance attempt to contract for a public loan at the same time that he announced a suspension of interest upon the national debt, or an acquittance of the whole obligations

* Mem. sur les Col. IV. Introd. & V. 300. & seqq.

tions under which Government had formerly been laid, by a payment of ten shillings in the pound.

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It is by public aids, not by compulsory deductions from previous claims; that the mother country must attempt the restoration of the ruined colonies. The faith of the debtor must remain entire. An *arreté* from Paris may protect him from the law upon a partial payment, or in spite of a refusal of all payment to his creditors; but the power of the Government cannot reconcile contradictions, and make breach of faith a ground of new confidence. Now, any assistance which the Government can afford, will only enable the planters to go on. They must still be for some time in a situation infinitely more desperate than before the revolution; borrowing money at higher interest, and forced to extract more labour from their slaves. Some correction of the colonial laws may indeed be expected; but many of their chief imperfections arise from the nature of the West Indian establishments; and the effects must always continue while the planters and their creditors are in need of stock.

In this respect, therefore, as well as in the general security of the system, the French colonies are inferior to the British.

3. In every other respect, that is to say, in all the circumstances of their situation prior to 1790, except the want of capital, the French colonies are greatly superior to those of Great Britain. And indeed, the changes in the colonial balance which have taken place during the late war, give France an accession of territory and population sufficient in some degree to compensate the fatal effects of the negro insurrection.

The extent of the French West Indian dominions was always much greater than that of the British. The disposition of the territory, too, is more advantageous: it is not divided into such a multitude of small islands, but portioned into a few large ones, strong by nature, rich in natural resources, and scattered at commodious distances over the whole of the Charibean chain. The mere advantages of their position are so various and important, that if the West Indian empires of the two nations were possessed by independent states, no balance whatever could subsist between their respective powers.

The extent and advantageous distribution of territory, however, are not the only circumstances in which the colonial system of France is decidedly superior to that of England. The land in the French colonies, particularly in

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St Domingo, is vastly more fertile than any of the soil in the British islands, except the small island of St Christopher's. The average annual produce of an acre in this last island, is two hogsheds of sugar of sixteen hundred weight. In Jamaica, the average is not above half a hogshed. St Domingo abounds in the fine brick mould which in Jamaica is so scantily spread over a few narrow districts, and of which a single acre has been known to yield the enormous return of two tons and a half of sugar. The average produce of all the sugar lands in St Domingo, from the great plenty of this rich soil, is above a hogshed and a half of sixteen hundred weight per acre: * that is, the average fertility of St Domingo is above three times greater than that of Jamaica. Accordingly, the French planters have always been able to bring their sugars to market at a much lower price than the British, notwithstanding the additional expence, both in the prime cost of the slaves, and in the freight of the commodities to Europe. The proportion of French and British muscovado sugars, in 1784, was averaged at that of five to seven. The cause of so great a difference became an object of particular inquiry with the committee

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*. The exact average is 2712, varying between 2437 and 3074.

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of 1789. The result of their most careful investigation proved that the difference of price arose from the superior quality of the land in St Domingo, and that the same number of negroes yielded considerably more in the French than in the British plantations. But the tendency of this superior fertility is, not to save the importation of slaves; on the contrary, it operates as a stimulus to projectors, and even to extravagance of speculation.

From all these advantages, in point of extent and quality of soil, resulted the decided superiority of the French islands in cultivation and produce. The progress of colonial improvement was much more rapid during the years immediately preceding the revolution, than any thing of the same kind in the history of colonization. In the period of ten years, the negro population and total produce of St Domingo had almost doubled. This negro colony has attracted at all times so much attention, that ample materials have been laid before the public, from which we may form our estimates of its progressive resources. But the other colonies appear also to have been making very great advances during the same period, although we are not possessed of any complete information upon this matter. As the importance of these settlements is very great, from the large proportion

tion which they bear to the whole French colonies, though no authors have paid attention to their progress since the time when M. Neckar published his work on finance, I shall enter into a few details upon this subject, for the purpose of forming an estimate of the present state of the French Windward islands, and their progress during the period previous to the revolution.

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About the year 1779, the whole average imported produce of the French West Indian colonies was estimated at one hundred millions *livres tournois*. * In the year 1779, according to Neckar, the negro population amounted to about four hundred and thirty-eight thousand. † This gives the proportion of one negro to two hundred and twenty-eight livres six sous.

In 1791, according to the official accounts, this proportion for St Domingo was one negro to two hundred and ninety-four livres ten sous. ‡ The returns made by the chambers of commerce to M. Neckar in 1788, make the proportion for the whole islands one to three hundred livres, § and for St Domingo one to three hundred and one livres three sous, which may
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* Robinet, *Dict. sous Art. Colonies*.

† *Administration des Finances*, tom. III. cap. 13.

‡ *Rapport à l'Assemblée Législative*.

§ *Barré, St Venant*, p. 103.

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be reckoned the same with the last statement, allowing for the difference of years. In 1789, according to Laborie, the slaves in St Domingo were five hundred thousand, * and the exported produce about one hundred and twenty-seven millions, † which gives one negro to two hundred and fifty-four livres. In 1790, according to Edwards, the proportion was one negro to two hundred and fifty livres. ‡ Let us take the medium of these three statements, and we shall have the proportion of one negro to two hundred and sixty-six livres; which is too much, as the official returns make no allowance for the slaves kept back, in order to avoid taxes: But, increasing the official return in a mean proportion between the allowance of Laborie, and that which Edwards seems to have made, we get the numbers, in 1791, equal to five hundred and ten thousand, and the proportion one negro to two hundred and sixty-two livres fourteen sous. Let us take the medium of those three, and we have one negro to two hundred and fifty-five livres six sous.

Now, according to the ‘*Memoire sur le Commerce de la France et de ses Colonies,*’ the average annual import is two hundred millions of
livres

* Coffee Planter. Append. IV. 4.

† Id. *ibid.* VI. 9.

‡ Historical Survey of St Domingo, chap. IX.

livres from all the colonies ; which is evidently the same with the Reports of the Chambers to M. Neckar ; for they make the total one hundred and ninety-eight millions eight hundred and sixty-six thousand. † M. Arnould * makes it one hundred and eighty-five millions. Taking the medium, and deducting one hundred and twenty-seven millions for St Domingo, there remain sixty-five millions, which, according to our first calculation of proportion, gives two hundred and eighty-four thousand three hundred and thirty for the number of the negroes in the Windward islands and Cayenne. This indicates an increase in the negro population of these islands, from the date of M. Neckar's work, of nearly ninety-six thousand, or nearly in the proportion of 1 to 1.47. But, in fact, the increase has been greater, from the following circumstances. The average of St Domingo is different from the general average. The former is 255.6 to one negro ; the latter only 228.6 to one negro. This difference arises from the superior excellence of the soil in St Domingo, and the nature of the culture. Of the whole hundred and eighty-five millions imported in 1789, according to Arnould, from
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† Barré St Venant, p. 102.

* Balance du Commerce, Part. II. § 4.

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all the islands, one hundred and thirty-four were the great staples, coffee and sugar. But of the hundred and twenty-seven millions average import from St Domingo, according to Laborie, about one hundred and six are the great staples. More sugar and coffee, then, is cultivated in St Domingo, than, according to the average of the whole islands, in the proportion of 1.37 to 1.19; and consequently, more in St Domingo than in the Windward islands, in the proportion of 1.96 to 1.37. But the great staples require fewer negroes than the minor produce. Hence, the same average export from the Windward islands shews that they have a greater number of negroes; and accordingly, instead of one negro to every 225.6 of exported produce, as at St Domingo, or to every 228.6, as in the general average, we must reckon only one negro to every hundred and ninety-two livres; which raises the negro population of the Windward islands to three hundred and thirty-eight thousand five hundred and forty-one; an increase of about one hundred and fifty thousand since the year 1779, or nearly in the ratio of 1 to 1.7.

Now, it will be observed, that this computation is still under the truth. For the same number of negroes will only give the same exportable produce when the rate of increase is equal.

quable. If this rate is accelerated, the number of negroes will bear a greater proportion; if retarded, a less proportion, to the value of the exports; because, in the one case, there will be more lands in an incipient state of culture than in the other, and, of consequence, more slaves whose labour has not attained its full proportion of profit. That the improvement of all the islands was accelerated, there can be no doubt: therefore we may conclude, that the proportion of 1 to 1.7 is too low, and that the numbers in the Windward settlements were nearly doubled during the interval between 1779 and the French Revolution. This conclusion, it may further be observed, is agreeable to the general opinion expressed by Edwards* and Morse†. The inference is contrary to the statements of the Chamber, in their reports to Neckar; but it is most probable that the numbers were inaccurately collected in the Windward islands, and still more carelessly reported. This suspicion is greatly strengthened, by the evident errors which abound in almost all the statements given (in the Report) of the foreign colonial resources. But we have some other *data* whereby these conclusions may be confirmed,

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* British West Indies, B. VI. c. 1.

† American Gazetteer, Art. *West Indies*.

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or corrected if inaccurate. Immediately before the peace of Paris, at which time the attention of France began to be directed towards the improvement of her West Indian dominions, the Windward islands were in the possession of Great Britain.

By official documents, it appears that the average imports from Martinique and Guadeloupe, for the years 1762 and 1763, amounted to seven hundred and seventy-nine thousand sixty-six pounds Sterling †: and Tobago, in 1776, exported about twenty thousand pounds Sterling: it was then reckoned equal to St Lucia by M. Neckar. † Supposing, then, that in 1763 the exports of St Lucia and Cayenne together were only equal to twenty thousand nine hundred and thirty-four pounds, we have the export of the whole French Windward islands equal to nineteen millions two hundred thousand livres tournois, answering to a negro population of a hundred thousand. In 1779, this had increased in the ratio of 1 to 1.88, and during the next ten years in the accelerated ratio of 1 to 1.7; being a total increase, during twenty-six years, in the ratio of 1 to 3.38, or of 1 to 3.28, exclusive

* Whitworth's Tables, p. 87, 88.—Report of Com. 1789, Part IV.

† Admin. des Finances, tom. III. c. 13.

clusive of the colony ceded by the peace of Versailles.

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In the year 1796, Great Britain was again in possession of all the French Windward islands, except Guadaloupe; and her imports from those West Indian conquests, in that year, were made in thirty-four thousand six hundred and twenty-two tons, which answers to one million eighty-nine thousand pounds value Sterling, according to the proportion of 1797, † which can only include the French islands, as the Dutch had not been long enough settled. This value, equal to twenty-six millions one hundred and thirty-six thousand livres tournois, answer to the number of one hundred and thirty-six thousand one hundred and twenty-five negroes; which makes the negro population of Martinico one hundred and five thousand, allowing that Tobago and St Lucia bear the same proportion to each other and to Martinico which they bore in Necker's time. This island, then; from 1763 to 1796, had increased in the ratio of 1 to 2.65.

In taking the exports of the conquered islands as a standard of absolute population, a greater allowance must be made for contraband, than in calculating from the exported produce

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† Public Accounts, H. of C.

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of an old possession. But at present, we have only been comparing the relative population at different periods, by the same test; and hence we may conclude, with sufficient accuracy, that the increase of negroes in Martinico, down to the French revolution, was in the proportion of 1 to 2.28, allowing for the increase between 1789 and 1796. But this is much below the total proportion of the French Windward islands during the same period; and the reason is evident. In 1766, a dreadful hurricane laid that fine island entirely waste; and it did not recover from this calamity, if we may believe M. Arnould,* for more than twenty years. The increase of Guadaloupe and the other islands, therefore, must have been proportionally more rapid, to make up the average rate; and there can be little doubt, that before slavery was abolished in the former island, its black population had much more than doubled since the year 1779.

The history of the African trade affords the last means of approximation to which we shall resort.

The average export of negroes from Africa by the French, at the period of the revolution, was at least thirty thousand. † The report of the

* Balance du Commerce, Part. II. § 4.

† Arnould, Balance du Commerce, Part. II. § 5.

the Committee 1789, indeed, gives it at twenty thousand. But this is clearly too low; for, according to minute accounts of the African trade, collected by Edwards on the spot, the importation into St Domingo alone, employed ninety-eight French vessels from Africa in the year 1788, and amounted to twenty-nine thousand five hundred and six negroes. * In 1787, it exceeded thirty thousand eight hundred; and according to Laborie, † the importation of 1789 in French Guineamen, was twenty-seven thousand two hundred and twelve: hence, the average import for St Domingo alone was about twenty-nine thousand.

The average export of Great Britain is, by the statement of the Liverpool merchants, in the Report of the Committee 1789, estimated at thirty-eight thousand; which is in all probability too low. The opinion of the French traders, mentioned in the same Report, is, that the British carry over forty thousand to their West India islands, and re-export two thirds of that number. ‡ Edwards states the re-exportation at one fifth of the importation, during the period of one hundred and six years, end-

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* Historical Survey, &c. Appendix.

† Coffee-Planter, &c. Append. III. 3.

‡ Part VI.

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ing 1786. But, during far the greater part of this period, the foreign West Indies were not in a situation that demanded great supplies; and they obtained all the necessary hands by private contracts. Before the American war, the French had their slaves delivered on the coast of Africa. The Spaniards obtained their proportion by the *Affiento*, first with France, then with Britain. Edwards gives the re-exportation from the British West Indies, for the years 1784, 1785, 1786, and 1787, at somewhat below five thousand; and the average importation for the same years at somewhat above twenty thousand. † Out of the thirty-eight thousand, then, which Great Britain exports from Africa, three thousand are carried to the foreign West Indies. In order to appreciate the proportion of those which go to the French Windward islands, we may observe, that Portugal imports all her own negroes, and neither receives any from us, nor re-exports any herself. The only direct importation to the Spanish colonies in British vessels, consisted of about three thousand *per annum* by a Liverpool house; and, during one or two years, from three thousand to four thousand by the Philippine Company. * If we reckon the whole at eighteen thousand *per annum*,

† History of British West Indies, B. IV. Chap. II.

* Sect. III. Part II.

num, including re-exportation, we certainly take the outside. The two thousand imported by the Danes most probably supplied both their own small possessions, and the Swedish island St Bartholomew. If we admit that three thousand were carried in British vessels to the Dutch colonies, we allow an annual importation of seven thousand to those settlements, (including their own four thousand), which was surely more than they actually received, considering that their whole stock did not exceed fifty thousand. † Indeed, for several years, the importation of slaves in foreign vessels, was altogether prohibited, to the ruin of the plantations.

On the most moderate computation, therefore, we may consider ten thousand as the number imported by British vessels into the French islands; and since St Domingo was wholly supplied by French Guineamen, the entry of foreign slave vessels being wholly prohibited, while an exception in favour of slave ships was made in the Windward islands, ten thousand is the least importation that we can assign to these. After slavery was abolished in Guadeloupe and Cayenne, the demand for negroes from British traders was diminished. Accordingly, we find that the average British tonnage

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† Sect. III. Part I.

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employed in the African trade in 1793, 1794, 1795, and 1796, was reduced from thirty-three thousand to twenty-one thousand. But the cultivation of the conquered islands by slaves continued; and the conquered Dutch colonies were about this time opened to British capital. The new demand soon revived the African trade, which, in the period from 1797 to 1800 inclusive, employed about thirty-eight thousand tons. Nor had this increase any connexion with a change in the direct African trade; for, in the former period, the average imports from thence occupied between five and six thousand tons; in the latter, they employed only between one and two thousand. Neither can the difference be ascribed to the increased culture in our own islands; for, in the four years ending 1798, (allowing two years for the variation in the African trade to appear), the average official value of West Indian importation was four millions four hundred and eighty thousand pounds, and the tonnage, employed, one hundred and thirty thousand; whereas the average official value for 1799 and 1800 was no more than five millions five hundred thousand, and the tonnage only one hundred and seventy thousand, instead of seven millions eight hundred thousand pounds; and two hundred and forty-seven thousand tons, the proportion of
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increase in the African importations; allowing nothing for the decrease of the direct African trade, and the consequent proportional augmentation of the slave trade: and it will be remarked, that the exportable produce of the conquered colonies had increased in a very large degree.

We may therefore conclude, that the fluctuations of the African trade afford a sufficiently accurate criterion whereby to judge of the progress of the French Windward colonies. From this, as well as from all the other means of determining the rate of that progress, it appears to have been nearly as rapid as the improvement of the great Leeward Island during the same period.

The event of the late war has given to the colonial resources of France an augmentation still more sudden, and, in the end, infinitely more important, than that rapid increase of culture which we have just now been considering. To mention only the consolidation of the whole of St Domingo under the French dominion, nothing can be conceived more advantageous to the wealth of the whole empire. A vast field is opened for the employment of capital, at the very time when all the ancient possessions of France in the island were nearly cultivated to the uttermost extent of their capacity. Some of the districts

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of the Spanish division are, if possible, more fruitful than those of the Western quarter. The rivers are larger, and more easily navigable; the communication with Europe is easier; the varieties of soil and produce are greater. By the transference, an end is put to the desertion of slaves, a consequence of the division of territory. Above all, an acquisition is made of a large body of white subjects, without any considerable mixture of slaves; and an opportunity is afforded to the harassed and ruined planters, of emigrating to the remote parts of the same colony, and (without wholly abandoning the island) of avoiding those scenes among which many of them can no longer wish to live. Great as these advantages are, it may be observed, that they are accompanied by one drawback. The security of the colonial subordination is more likely to be affected than formerly, both by the discontents of Europeans, and the rebellion of the slaves. It will be more easily affected by the discontents of the European colonists, because a large and difficult country is much more easily defended than a stripe of land on the coast; and because the whole colonists will be united, and in some degree blended together, by the operations of similar laws and governments: so that they will oppose to the parent state, in the event of a misunderstanding,

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ing, a much more compact body of rebels than the two colonies could have done in their separate state, even admitting them to have concurred in throwing off their allegiance.

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The subordination of the island will be more easily affected by the negro slaves; because, in all probability, the neighbourhood of more quiet scenes, where the slaves are few in number, and peaceful in their dispositions, as well as the temptations of cheap and fertile land, will be sufficiently strong to draw away a much greater share of the white population from the old colony, than would otherwise have left it and emigrated to Europe or the foreign possessions.

But, farther, the other circumstances which we have just now considered, although they demonstrate the progress of the French colonies in opulence to have been more rapid than the improvement of the British settlements, yet prove that the internal security of the former has been diminishing in a proportional degree. The cultivation of the slave colonies, indeed, cannot be suddenly augmented, without an increase of the weakness inseparable from all colonies peopled by a mixed population. Of this we shall afterwards speak more fully. At present it is enough to remark, that, in estimating the relative importance of the two colonial

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lonial systems to their respective mother countries, we ought chiefly to consider the comparative amount of the wealth and industry belonging to those systems. The motions of the state on which those colonies depend, will always be regulated by the value of the colonies as property, and by the proportion which the advantages derived from them bear to the other resources of the community. According to the extent of that value and that proportion, the desire of the mother country to provide for the safety of the colonial system, and to counteract the tendency of internal evils, will generally be fixed.

The present state of the French colonies, and their relative importance to the mother country, cannot be determined with accuracy. We may form a general estimate of this, by attending to what we know of their situation before the late violent changes. From the details into which I have entered, it does not appear too high a calculation, to estimate the whole negro population of the French slave colonies, before the rebellion, at eight hundred thousand, and the free population at sixty-five thousand. The produce exported by these colonists was worth about eight millions three hundred thousand pounds Sterling, and occupied one hundred and sixty-four thousand and eighty-one

one tons of shipping, navigated by thirty-three thousand four hundred men. The importation of the colonies was worth nearly four millions one hundred thousand pounds.

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The negro population of the British West Indies, at the same period, amounted to four hundred and sixty-five thousand, and the free population to eighty thousand; the whole exports were worth five millions two hundred thousand pounds Sterling; and this traffic employed one hundred and forty-eight thousand one hundred and seventy-six tons, distributed into six hundred and eighty-nine vessels, navigated by thirteen thousand nine hundred and thirty-six seamen. Of this immense exportation, the part which arrived in Britain and Ireland paid one million eight hundred thousand pounds in gross duties. The imports into the colonies from the mother country were valued at one million nine hundred thousand pounds. Such was the decided superiority of the French over the British colonies before the revolution. The proportion which the French colony trade bore to the whole French trade, was also much greater than that which the British colony trade bore to the whole British trade: for the whole value of exports from France was seventeen millions three hundred and fifty thousand pounds, while the British exports

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exports were valued at twenty-seven millions pounds. The tonnage of the commercial navy of France was four hundred and sixty-four thousand one hundred and twenty-two; that of the British commercial navy one million five hundred and eighty-nine thousand. The seamen employed in the former, amounted to sixty-six thousand three hundred; those employed in the latter, to one hundred and nineteen thousand.

We see, then, that in every view the French American colonies were much more essential to the mother country than the English. I have not mentioned the deficiency of the French in East Indian territory; because, though this unquestionably renders the West Indian possessions more necessary, yet the different extents of the mother country may nearly balance this additional circumstance of superiority. The necessity under which France must now feel herself placed, of restoring her navy, which has no nursery at all comparable to her colony trade, unquestionably renders the restoration of tranquillity to her West Indian dominions one of the most important objects of national attention. In prosecuting this object, it is enough for the Government to know what the colonies once yielded. However great the defalcation may be which late changes

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changes have occasioned, it becomes those who are entrusted with the management of the imperial concerns, to look back and unite all their efforts to restore the former state of colonial prosperity. Neither France nor England have gained as much by their colonies, as both powers now would gain were they to begin their colonial operations anew. But no states have ever ruled their distant settlements with so much mildness and equity; none have committed so few capital blunders; none have so soon corrected the errors of that short-sighted policy, which in all ages has presided over the first plantation and early government of colonies. The mode of governing and trading by exclusive companies, or sea-port towns, so destructive to all the colonies of Spain and Portugal, and so hurtful even in the less illiberal political system of the Dutch, never subsisted so long, as to produce any very serious evils either to the French or English colonies in the New World. The West Indian Company of France has been abolished for more than a century; and none of the British colonies, except those on the continent, were ever subjected to this species of management; nor were even those committed to the care of monopolizing corporations, except for a very few years at their first establishment. All the illiberality
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which was laid out in the colony upon works of utility and embellishment, must be added an average remittance of five hundred and eighty-five thousand made to the treasury of the mother country from the deposits; that is, the entrepôt fund, consignment money, and invalid fund, not including the seamens fund.* Perhaps it would not be too high an estimate to reckon the whole colonial surplus at two millions currency, or nearly one million three hundred and ninety thousand livres tournois. This surplus might easily have been augmented; for the *octroi* upon exported produce, which was the whole tax paid in the colony by the exporters, did not amount to three *per cent.* on the value. The account of colonial finance given by Mr Burke, is extremely inaccurate. † The colonial expences of St Domingo are stated by Mr Edwards at fifty thousand pounds, evidently through the mistake of a cypher. ‡

The clear revenue drawn from colonial produce imported into France (*droit du domaine d'Occident*) yielded, by farm, in 1758, (during the administration of M. de Boullongue), two millions of livres, although during war. || The same

* Laborie, Append. V. 16. & 2.—Wimpffen, Let. XXVIII.

† European Settlements, Part IV. chap. VI.

‡ Historical Survey, &c. chap. I.

|| Etat des Finances de France, 1758, chap. I.

same farm, during the administration of M. Turgôt, yielded to the Crown three millions two hundred and fifty-seven thousand eight hundred and seventeen livres; and the whole American colonies required an expenditure of four millions four hundred thousand.* But, during the administration of Mr Neckar, this farm yielded, by the *compte rendu* of 1781, four millions one hundred thousand; and, by the Report of the *Clef du Compte des Caiſſes*, &c. in 1788, the average for the years 1781, 1782, and 1783, was four millions four hundred and fifty-nine thousand four hundred and twenty-six. † The ordinary expence of the department of marine and colonies, at the same time, was twenty-nine millions two hundred thousand. ‡ In Turgôt's administration, the same expence amounted to thirty-three millions, including certain extraordinaries: || so that it had not increased during the interval. Of this thirty-three millions, the West Indian colonies received four millions four hundred thousand. It is not likely, then, that they received more in 1781, after the expensive project of Cayenne had been abandoned. This leaves a surplus of near sixty thousand livres;

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* Etat des Revenues et Depenses. 1775. Par Turgôt.

† Neckar, *Nouvelles Eclairciffemens*, p. 56.

‡ *Compte Rendu* par Neckar, 1781.

|| Etat, &c. Par Turgôt.

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which was laid out in the colony upon works of utility and embellishment, must be added an average remittance of five hundred and eighty-five thousand made to the treasury of the mother country from the deposits; that is, the entrepôt fund, consignment money, and invalid fund, not including the seamens fund.* Perhaps it would not be too high an estimate to reckon the whole colonial surplus at two millions currency, or nearly one million three hundred and ninety thousand livres tournois. This surplus might easily have been augmented; for the *octroi* upon exported produce, which was the whole tax paid in the colony by the exporters, did not amount to three *per cent.* on the value. The account of colonial finance given by Mr Burke, is extremely inaccurate. † The colonial expences of St Domingo are stated by Mr Edwards at fifty thousand pounds, evidently through the mistake of a cypher. ‡

The clear revenue drawn from colonial produce imported into France (*droit du domaine d'Occident*) yielded, by farm, in 1758, (during the administration of M. de Boullongue), two millions of livres, although during war. || The same

* Laborie, Append. V. 16. & 2.—Wimpffen, Let. XXVIII.

† European Settlements, Part IV. chap. VI.

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which, added to one million three hundred and ninety thousand, the surplus of St Domingo alone, must have more than sufficed to pay off, in two years, the whole debt of the *domaine d'Occident*: for the interest on this debt amounted, under the Abbé Terray's administration, to no more than one hundred and eighty-nine thousand. Besides, we must recollect the various abuses which existed in all the revenue departments of France under the old government, and the enormous profits made by the farms. A reform in this particular might have greatly augmented the revenue from the colonies; and other reforms, equally necessary, would have diminished the colonial expenditure.

The whole expence of the civil government in the British North American colonies, previous to the Revolution, did not amount to eighty thousand pounds Sterling; which was paid by the produce of their own taxes. The military establishment, the garrisons, and the forts, in the old colonies, cost the mother country nothing. 'They were governed,' says Franklin, 'at the expence only of a little pen, ink and paper; they were led by a thread.'* In time of war, they contributed their share, and sometimes more than their share, to the
extra-

* Examination before the House of Commons, 1766.

extraordinary expences of the state. During the Seven-years war, they raised, clothed, and paid twenty-five thousand men, at an expence of many millions. They were reimbursed indeed; but only for so much as they were judged to have paid beyond their proportion. Pennsylvania had expended half a million, and received only sixty thousand pounds from Parliament. *

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The establishments of Canada, Nova Scotia, and the other northern colonies, as might naturally be expected, have hitherto cost something to the mother country. Their civil expences paid by the British exchequer amounted, in 1800, to twenty-three thousand five hundred and twenty pounds, exclusive of Quebec; and their garrisons, for the same year, cost six thousand three hundred. The maintenance of the troops upon their present footing, is about two hundred thousand pounds; and in time of war it amounted to the same: so that the whole expenditure is about two hundred and thirty thousand pounds Sterling; to compensate which, there are considerable colonial funds. †

The revenue of the British West Indies is by no means so simple as that of the French;

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partly

* Franklin's Examination before the H. of Com. 1766.

† Report of Committee of Finances, 1798, vol. III.

—Public Accounts, 1801.

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partly from the greater subdivision of the territory, and partly from the greater prevalence of the fiscal spirit in our colonial policy. I shall endeavour, as clearly as I am able, to exhibit a short view of this branch of our finances, after premising, that the accounts laid before Parliament are very far from furnishing a distinct statement of the subject.

(1.) The expence of the Jamaica civil establishment is altogether defrayed by colonial taxes. The contingent charges amounted, in 1788, to twenty-two thousand one hundred and forty-two pounds currency; and eight thousand pounds currency is also settled yearly upon the Crown by the revenue act 1728. Out of this, the governor receives two thousand five hundred pounds. For raising these supplies, the ways and means amounted to one hundred and twenty-two thousand four hundred pounds of annual votes, and twelve thousand pounds of perpetual revenue. Besides the civil expences and income to the Crown, this island contributes a large sum to the pay of the troops and the garrison expences. In 1788, this amounted to fifty-two thousand eight hundred and sixty-nine pounds, including the Maroon establishment, which is strictly a charge
of

of a military nature. A surplus of forty-seven thousand eight hundred and eighty-nine pounds currency remained for the extinction of a debt not exceeding one hundred and eighty thousand pounds. A part of this surplus being applied to pay the interest at six *per cent.*, above thirty-seven thousand pounds would remain; which, added to four thousand pounds, the permanent surplus would form a sinking fund, more than sufficient to clear every incumbrance in less than four years.

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But, during the late wars, Jamaica has paid a great proportion of the extraordinary expences of its military establishment. It has raised and paid part of the West Indian regiments; it has defrayed the whole expence of part of the British forces quartered there, an article which, in 1800, amounted to eighty-four thousand three hundred and seven pounds sterling. If to this we add the fifty-two thousand eight hundred and sixty-nine pounds currency paid for the ordinary military establishment, and the five thousand five hundred pounds currency surplus of perpetual revenue, after paying the governor's salary, we shall find that Jamaica, besides defraying the whole expence of its civil establishment, and thus giving salaries to a variety of officers appointed by the Crown out of the subjects of the mother country, afforded to Go-

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vernment, in the year 1800, a revenue of about one hundred and twenty-six thousand pounds sterling, towards its defence against the common enemy of both the colonies and the mother country, and maintained, over and above, its own militia and black forces.

(2.) Barbadoes and the Leeward Charaibbean islands are subject to the duty of four and a half *per cent.* stipulated to be paid in specie upon all their exported produce. The revenue arising from this imposition forms the four and a half *per cent.* fund, out of which part of the civil expences of those islands are paid by Great Britain, the rest being defrayed by direct taxes in the islands themselves. The stipulations of the act of Assembly in Barbadoes, September 1663, have been disregarded, and specific taxes have been levied to defray those expences which Government had become bound to make good out of the four and a half *per cent.* fund. In 1730, the sum of five thousand pounds sterling was raised; and between 1745 and 1748, the sum of nineteen thousand four hundred and forty pounds was levied for the repair of forts. Some authors have stated that thirty thousand pounds were raised at one stroke for this purpose.*

There

* European Settlements, Part VI. c. 9.

There is no regular military establishment, I believe, in any of the Leeward Charaibbean islands, except St Christopher and Antigua; which, besides raising forces of their own, contribute additional pay to the King's troops. The four and a half *per cent.* fund is much more than sufficient to pay all that part of the civil expences of Barbadoes and the Leeward Islands, which falls on the Government of the mother country. Its net produce for the year ending 5. April 1801, is stated in the public accounts at nineteen thousand five hundred and thirty-one pounds sterling †; and the expences of Barbadoes and the Leeward Islands, with the charges of collecting it there, amount to seven thousand one hundred and seventy-three pounds, including the commutation which is called Lord Kinnoul's *pension*, with as much propriety as the holders of long annuities might be denominated pensioners. There is however a large defalcation in this fund. The produce of the duty in Barbadoes alone was estimated at from eight thousand to ten thousand pounds in 1684, and a commutation of six thousand pounds net was at that time refused. The official value of exported produce from Barbadoes and the Leeward Charaibbean Islands in 1787, was, according to the Inspector-general's report, two mil-

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 † Public Accounts, 1801.

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lions twenty-three thousand three hundred and seventeen pounds. From the average official value of imports for 1798, 1799, and 1800, as stated to the House of Commons by his Majesty's Ministers in the debates on the late peace, it appears that the total exportation of West Indian produce has considerably increased since 1788; and yet the net produce of four and a half *per cent.* upon above two millions sterling, for the year ending April 1801, was considerably under twenty thousand pounds sterling. In whatever way this produce was valued, the frauds committed on the revenue, both by collectors and contributors, must have been enormous. An imposition of shameful extent is indeed avowed in the accounts of the fund for twenty-one years ending 1734. For it appears that, during this period, the money collected was three hundred and twenty-six thousand five hundred and twenty-nine pounds, of which no more than one hundred and forty thousand thirty-two pounds was paid into the Exchequer, eighty thousand pounds having been retained in the islands under the name of expence of collection, and one hundred and five thousand pounds in fees, duties, &c. upon the produce sent over to Britain, as the terms of the act 1663, requiring payment in specie, are not in force. After all, I am inclined to suspect

suspect, that the net produce of this duty, in the only year for which I have an account (the year ending April 1801), is considerably below the usual amount; for the ordinary charges upon the fund amount to more than double the net produce of that year, being in all above forty-one thousand pounds; and yet there is no reason to suppose that the fund is in debt, from any of the accounts which I have had an opportunity of inspecting.

Of this charge (forty-one thousand pounds), only seven thousand one hundred and seventy-three pounds is for the civil government of Barbadoes and the Leeward Islands; the rest is applied to defray that part of the civil expences of the other islands which falls on the Government of the mother country, and to pay various pensions and other grants wholly unconnected with the colonies. Mr Burke * inveighs warmly against the diversion of the fund from the services of the island where it is raised; forgetting how little it signifies either to the mother country or the colonies, whether the money paid by themselves or by the other subjects of the empire is spent among them. It is a singular coincidence, that Mr Burke himself should have lived to share largely in this very fund, without any other claims upon the colonies

* European Settlements, Part VI. c. 9.

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nies than those services which he rendered to the whole body of the British dominions. The well merited reward of his labours is one of the pensions for imperial purposes charged upon the four and a half *per cent.* fund.

The revenue arising from the duty, in Barbadoes and the Leeward Islands, is beyond comparison the most injurious to the subject, in proportion to the benefit it produces to Government, of any that I remember to have seen recorded in the history of taxation. It both takes more and keeps more out of the pockets of the people, in proportion to what it brings into the treasury, than any other imposition with which I am acquainted. The planters complain that it absorbs one tenth of their net profits, and that with this burden they have to support in all markets the competition of the other British islands which are exempted from the duty; and, in some markets, the competition of the French islands also, which enjoy so many additional advantages. They are therefore under the same disadvantages which would effectually ruin one district in England paying tythe, were it surrounded by other districts either lying under no such incumbrance, or compounding for a small *modus*.

Accordingly, all those islands have gradually declined, instead of advancing in improvement

ment like the rest ; and this, notwithstanding many natural advantages which they possess. It would unquestionably be a wise policy to effect a commutation of this grievous duty. The islands would most willingly levy it in such a manner as to make it increase with that advancement of cultivation which must immediately follow so salutary a reform. Perhaps, if this commutation should not be adopted, the mother country as well as the colonies would gain considerably, by lowering the duty from four and a half to two or two and a half *per cent.* ; and a still farther profit might be secured, by introducing a better system of management and collection.

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(3.) The ceded islands were never subject to the four and a half *per cent.* duty. An attempt was made by Government to extend this burthen to them immediately after the peace of Paris ; but the question was fully discussed before the Court of King's Bench in the case of Grenada. The colony prevailed ; and the same judgment was held to free the other settlements, Dominica, St Vincent, and Tobago then a British island †. The Crown, therefore, draws no direct revenue from these colonies ;
but

† Cowper's Reports, Michaelmas Term, 14. Geo. III.

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but the inhabitants contribute in a large proportion to the public expenditure, particularly if we consider the very recent establishment of the settlements.

Grenada provides to its governor a salary nearly equal to that which he receives from the exchequer of the mother country, and raises the whole of the money stipends paid to the clergy. The Crown, indeed, pays part of the governor's salary, with that of the lieutenant-governor and the agent. This expence, in all amounting to two thousand one hundred and sixty-four pounds Sterling, is charged to the four and a half *per cent.* fund; but it must be remembered, that, by the proclamation of March 1764, purchasers of the Crown lands were invited. We may infer, therefore, that a considerable sum was raised, as the land is all extremely fertile; and, in 1776, above seventy-two thousand acres, out of eighty thousand, paid taxes. The military establishment generally consists of five hundred regulars and three companies of King's blacks, the militia; and the attached negroes and mulattoes are supported by the inhabitants.

St Vincents pays the governor half his salary, namely one thousand pounds Sterling: the remainder, as well as the expence of a regiment, an artillery company, and a black corps, is defrayed

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frayed by Government. But the produce of the sales of lands, in 1764, was one hundred and sixty-two thousand eight hundred and fifty-four pounds Sterling, besides grants of at least an equal value to individuals, who must have had claims of some kind upon Government, and were thus satisfied, without any expence to the Imperial revenue. The Crown, therefore, gained by this island about three hundred and twenty thousand pounds Sterling, which, if left as a colonial fund, would have more than paid all that part of the ordinary civil and military expences not defrayed by the colonists.

The island of Dominica pays the governor nearly as much salary as he receives from the Crown. The military establishment has generally been very trifling: in the American war, it had only one hundred regulars. But if the unquestionable importance of its position between the French Windward and Leeward Charaibbean islands should render it an object of more attention, the necessary increase of its force must be placed to the general account of the West Indies. There is, however, in the quit-rents paid by the French inhabitants under the leases, and in the produce of the sales 1764, an ample fund for defraying all these expences. The sales produced three hundred and twelve thousand ninety-two pounds Sterling, and the
rents

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rents should amount to between nine thousand and ten thousand pounds *per annum*. An income of twenty-nine thousand pounds is more than sufficient to defray all the expences of the government and army; as well those paid out of the four and a half *per cent.* fund, as those raised by taxes, or advanced by the Crown.

The whole expence of forts in the three ceded islands, together with Jamaica and Tobago, is only two thousand seven hundred and twenty-five pounds, even in time of war. It is evident, then, that besides the surplufage of the four and a half *per cent.* fund, the internal resources of the ceded islands, which are free from the duty, will, if properly managed, more than support the civil and military establishments, and yield the Crown a clear revenue.

(4.) With regard to the Bahamas and Bermudas, the expence of their civil establishment is I believe chiefly paid by Great Britain, and amounts to about one thousand three hundred and fifty pounds Sterling, paid out of the four and a half *per cent.* fund, besides four thousand six hundred and eighty pounds by special grant. There are no troops at present there but a West Indian regiment. The sale of the Crown lands in Trinidad will much more than defray all the expences of that island, and the Bahamas and Bermudas.

From

From the whole it appears, that the civil establishment of all the British colonies in the West Indies draws from the treasury of the mother country nineteen thousand eight hundred and thirty-eight pounds Sterling ; and that the treasury receives from them a revenue of seventy-three thousand seven hundred and fourteen pounds, exclusive of the Crown lands in Grenada and Trinidad. This revenue might be increased to ninety thousand pounds at least, by reforms which would promote the prosperity of a valuable part of the West Indian territory ; and it is surely not estimating the sales in Grenada and Trinidad too high, to compute, that, after paying all the expences of civil government in the latter, they may yield a clear addition of twenty thousand pounds Sterling to the revenue, leaving a yearly fund of above ninety thousand pounds towards defraying the expences of the military establishment. Besides the black regiment, and those forts in Barbadoes, &c. which the colonial governments support, the present war establishment costs Government about two hundred and seventy thousand pounds *per annum*, of which Jamaica pays nearly sixty-four thousand pounds over and above the island allowance of the whole troops. This reduces the total expence to two hundred and six thousand pounds, and the whole balance to about one

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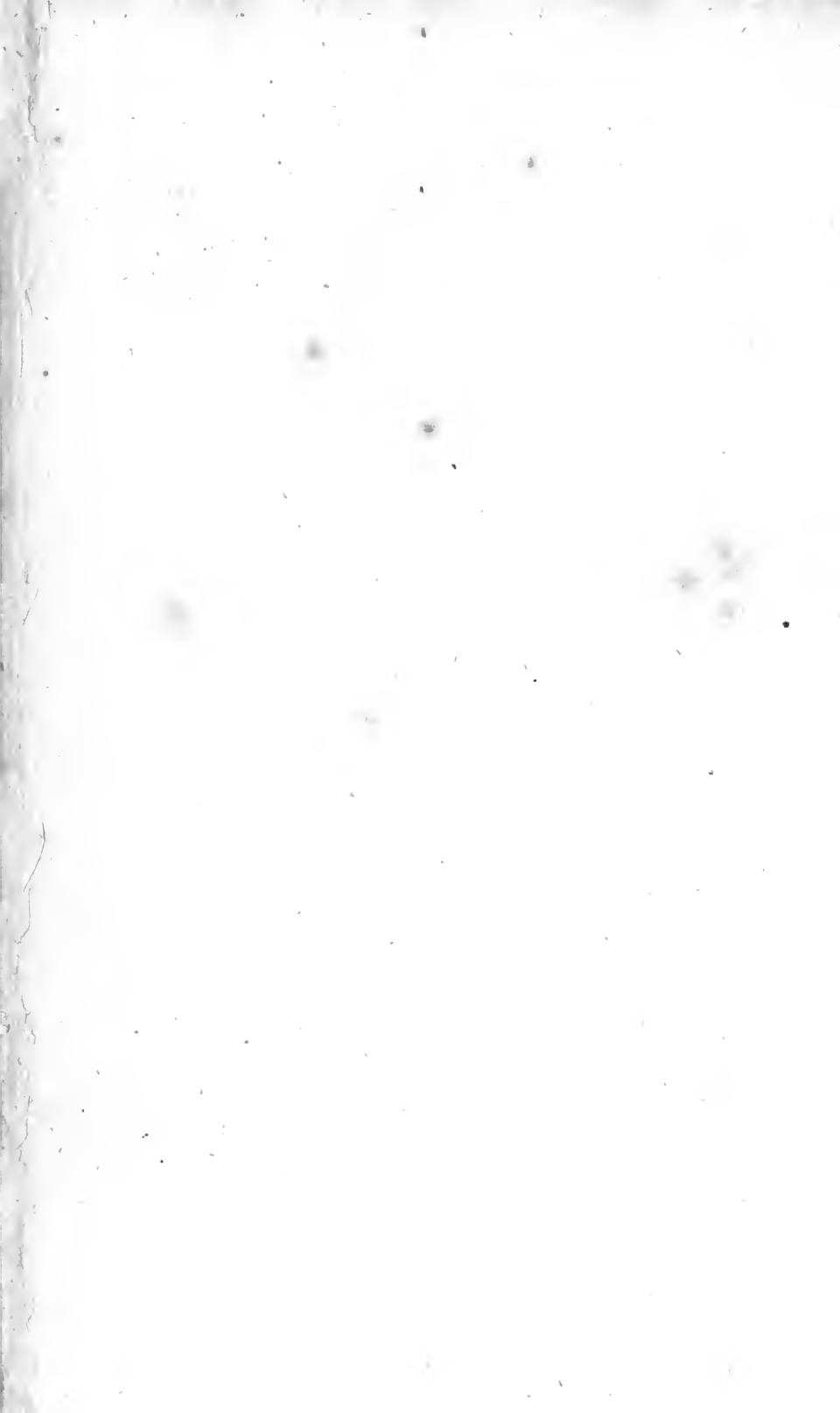
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one hundred and sixteen thousand pounds ; the amount of the charge against the mother country for defending that part of her empire, in the first year of an insecure peace, in a season of unparalleled difficulty and danger, when the combination of unexampled circumstances renders the assistance of a far larger part of the national force necessary to the colonies than could ever be required in ordinary times.

The statements into which I have now entered, require no commentary. They prove how completely erroneous those vague assertions are, which ascribe nothing but expence to the maintenance of colonial relations ; and they show, that even the colonies which bring the smallest direct revenue into the coffers of the mother country, contribute much more to their own separate government and defence, than many of the contiguous districts. I have enlarged the more upon this branch of the French and British colonial policy, because the subject has never before, so far as I know, been placed in a clear point of view, and because it affords the strongest illustration of many of the principles laid down in the First Section of this Book. Every one is ready to admit, that the expence of those colonies which contain the gold, silver, and diamond mines, does not fall a burthen upon the revenue of the mother country. But the enemies

enemies of colonial establishments have drawn most of their arguments on this topic from a general and declamatory view of those colonies, in which direct revenue has with the greatest wisdom been made a subordinate object. On the other hand, they have declaimed against the commercial importance of such settlements, from general appeals to the history of nations, which, with a less enlightened policy, have neglected the colonial trade, and only endeavoured to enrich themselves by tributes and rents. The best mode of examining such assertions, was to describe the influence of the colonial system upon the commerce and agriculture of Spain and Portugal, and to explain the colonial finances of Great Britain and France.

I have purposely omitted entering into that wide field of inquiry which is presented by the Asiatic policy of those two powers. It would form, of itself, the subject of a separate work, consisting rather of a detail of facts, which may easily be arranged by the principles laid down in the two first Sections of this Inquiry, and by the examples given in the First Part of the present Section, where those principles were exemplified in the colonial policy of the United Provinces.



NOTES AND ILLUSTRATIONS.

NOTE A. p. 24.

THE treaties between Carthage and Rome are sufficiently curious and interesting, to merit much greater attention than they have received from political writers. This subject has indeed been chiefly left to the labours of the antiquary; and accordingly we do not enjoy the advantage of contemplating it in that strong and useful light in which the talents and general views of speculative politicians would have placed it.

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In a work published 1777, anonymously, (but, I understand, the avowed production of Professor Barron, of St Andrews in Scotland), under the title of a '*History of the Colonization of the Free States of Antiquity*,'—those treaties have been considered with much learning and acuteness, —(chap. I. sect. II.) But, besides many other occasions of regret, which the author's brevity, and the unfortunate cast of his general plan, leave to the impartial reader, we have to lament that he did not discuss the subject of those treaties more fully. In particular, he has not remarked the singular difference between the ancient and modern method of ruling the colonial commerce, which I have pointed out in the text.

M. de St Croix, who has investigated the whole subject of ancient colonies with the greatest minuteness, (*De l'état & du sort des colonies des anciens peuples*), has committed

NOTES the error usual to antiquaries, of often directing the attention to the least interesting objects of examination. He AND neither settles the disputed points of the question, nor leads ILLUST. us by his statements to any general idea of the subject. He scarcely bestows upon the most important monument of ancient mercantile policy, half a page (*p.* 43. *edit.* 1779.) of the sixty-four which he devotes to the history of the Carthaginian trade. It is needless to add, that he omits any such remark as the one offered in the text, evidently suggested by a perusal of Polybius's own statement.

The narrative of this acute and philosophical historian deserves the utmost attention. I shall only direct my reader to his writings, by taking notice of one or two particulars.

1. Some doubts have arisen with respect to the date of the first treaty. It is, however, remarkable, that Polybius mentions several circumstances, any one of which is sufficient to fix it, and all of which, combined, place the thing beyond doubt. He says, the treaty was made in the consulship of Brutus and Horatius, the first consuls after the expulsion of the kings, in the year of the consecration of Jupiter Capitolinus's temple; and twenty-eight years before Xerxes came into Greece, (*Hist. lib. III.*) It has been suggested, that there is an evident mistake, at least in one of the circumstances mentioned as a date—the consulship, since Livy states that Brutus was sole consul, and that Horatius was only substituted to him at his death. Mr Gibbon (*Essai sur l'Etude de la Littérature, chap. XXVII. XXVIII. XXIX.*) ingeniously gets rid of this objection; but it appears probable that Polybius may have meant to specify the year in which both Horatius and Brutus were consuls—the year, viz. in which the latter died, and was succeeded by the former. At any rate, there are dates enough left, if this were given up; although, no doubt, it would be fair to ar-

gue even against Livy's testimony, when Polybius is so positive and minute in his statement. The words used by this author afford a sanction to the hypothesis. He says, *Γίνονται τοιγαρὸν συνθηκαὶ Ῥωμαίοις καὶ Καρχηδονίοις πρώτῃ, κατὰ Λευκίον Ἰβνίου Βρούλου, καὶ Μάρχον Ωρατίου, τοὺς πρώτους καταστάντας ὑπατοῦς μετὰ τῆν τῶν Βασιλείων καταλυσιν. p. 176. edit. Casaub.*

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It has next been said, that the Romans had no vessels in those days; and the old story of the Carthaginian ship driven ashore, and used as a model by the Romans, is quoted as proof of this. But who can believe that story, who considers the difficulty of acquiring a naval force? Who can imagine, that immediately upon seeing the Carthaginian wreck, the Romans were inspired with such naval skill, such a love of the seafaring life, such knowledge of naval architecture, as enabled them, in their very first outset, to conquer the best sailors in the world in a naval war? Nothing more can be meant by this tradition, than that the Romans, previous to the period in question, had no very large ships. That they had coasters and small craft, none can doubt. It is singular that Polybius should have been so far misled by the national vanity peculiar to Rome, as to countenance this story, (*Lib. I. cap. 20.*); more especially as it is directly contradicted by the treaties which he quotes afterwards, (*Lib. III. cap. 22.*)

That he may be relied upon for the substance of the treaties, we cannot entertain a doubt, if we attend to his own words. He tells us, that Philomis had written in his history a tract upon the Roman and Carthaginian disputes, giving the blame entirely to the Romans, and referring to a treaty between the two states; the existence of which treaty Polybius denies, and states the reasons that support his assertion. He remarks, that many old men, and skilful politicians, were in his day ignorant that the treaty, which he gives as the first, existed. He states that it was contained with the others, in the Ædilian archives, at the temple of

NOTES AND ILLUSTR. Jupiter Capitolinus, all engraved on brazen tables. He observes, that from the language being obsolete, he had some difficulty in translating it, and that he endeavours to give the sense as literally and faithfully as possible. No fact in ancient history appears to be better authenticated than the tenor of these curious documents. The following are some of the most remarkable clauses referred to in the text.

In the first treaty, which Casaubon, after Aforius, dates in A. U. C. 402. p. 1047—Τοις δὲ κατ' ἐμπορίαν παραγινομένοις, μηδὲν ἐσω τέλος, πλὴν ἐπὶ κηρυκὶ ἢ γραμματεῖ.—Ἐὰν Ῥωμαίων τις εἰς Σικελίαν παραγιγῆται, ἢς Καρχηδόνιοι ἐπαρχουσιν, ἴσα ἐσω τὰ Ῥωμαίων πάντα. p. 177.

In the second treaty—Του καλοῦ Ἀκρωτηρίου, Μασίας, Ταρσηίου, μὴ ληϊζεσθῆαι ἐπ' ἐκεῖνα Ῥωμαίους, μηδὲ ἐμπορευεσθῆαι, μηδὲ πωλεῖν κτιζέειν.—Ἄν ἐκ τίνος χώρας ἢς Καρχηδόνιοι ἐπαρχουσι, ὕδαρ ἢ ἐφοδία λάβῃ ὁ Ῥωμαῖος, μὴ τούτων τῶν ἐφοδίων μὴ ἀδικεῖω μηδὲνα, πρὸς οὓς εἰρήνη καὶ φιλία ἐστὶ Καρχηδονίους.—Ἐν Σαρδόνι καὶ Λιβύῃ μηδεὶς Ῥωμαίων μὴ' ἐμπορευεσθῶ, μὴ πωλεῖω κτιζέειω. εἰ μὴ ἐως τοῦ ἐφοδία λάβῃ, ἢ πλοῖον ἐπισκευασαί. εἰ δὲ χειμῶν κατενεγκῆ, ἐν πενθ' ἡμέραις ἀποδρεχέειω. ἐν Σικελίᾳ ἢς Καρχηδόνιοι ἐπαρχουσι, κτ' ἐν Καρχηδόνι πάντα κτ' ποιείω, κτ' πωλείω, ὅσα κτ' τῷ πόλει ἐξέειν. ὡσαύτως δὲ κτ' ὁ Καρχηδόνιος ποιείω ἐν Ῥώμῃ. p. 179. 180.

NOTE B. p. 49.

ALL other writers agree in this account of the characteristic features of the West Indian Society; and it may be observed, that those pictures of it which I particularly present to my readers, are taken from the French colonies, where the residence of the planters has always been much more universal than in the British and Dutch settlements. Of the proprietors in other colonies not above one fifth reside: of the French

French colonial proprietors not above a tenth are supposed to live in the mother country.—*Robinet, Dict. Univ. II. 393.* NOTES AND

The testimony of the author from whom the excellent article, *St Domingo*, in the *Encyc. Method. (Econ. Polit. & Dip.)* is taken, may be added. His ideas are nearly the same with M. Malouet's. 'Il n'y a ni nobles, ni bourgeois, ni rentiers. Elles n'offrent que des ateliers propres aux denrées que le sol produit, & aux différents travaux qu'elles exigent. On n'y voit que des commissionnaires, des aubergistes & des aventuriers, s'agitant pour trouver un poste qui les nourrisse, & acceptant le premier qui se présente. Chacun se hâte de s'enrichir, pour s'éloigner d'un séjour où l'on vit sans distinctions, sans honneurs, sans plaisirs, & sans autre aiguillon que celui de l'intérêt. Personne ne s'arrête là avec le dessein d'y vivre & d'y mourir. Les regards sont attachés sur l'Europe; & la principale jouissance qu'y procure l'accroissement des richesses, consiste dans l'espoir plus ou moins éloigné de les rapporter parmi les siens dans notre hémisphère.'—*tom II. p. 140.*—See, too, *Raynal, Hist. Phil. & Pol. &c. tom. V. p. 118. edit. 1777.* The account given by Baron Wimpffen is exactly in the same spirit with that of Malouet, (*Letters on St Domingo, No. XVIII.*) ILLUSTR.

NOTE C. p. 49.

THE strange proportions of both ages and sexes in the West Indian population, may be easily perceived from the numbers of the inhabitants capable of bearing arms in all the islands.

In any community of the natural and ordinary structure, the usual proportion of persons fit for bearing arms, that is,

NOTES of males between sixteen and sixty, is one in four: Sir W. AND Petty, indeed, reckons the proportion at somewhat less, (*Political Anatomy of Ireland, chap. VII.*) Now, in Jamaica, in ILLUSTR. the years 1791 and 1792, the militia consisted of six thousand two hundred and eighty-three men actually enrolled and effective, although the whole white population only amounted to twenty-one thousand one hundred and fifty-five souls. The whole whites able to bear arms are evidently not comprehended in the militia. In Grenada two thirds of the whole white population are miliciamen. In St Domingo the number of whites fit to bear arms (in 1764) was nearly nine thousand. The whole white population never exceeded thirty thousand, and at that period was considerably less. It may be remarked, that the proportion of females in the French settlements is greater than in the English; and that the number of persons having white families is also larger.

NOTE D. p. 97.

THE whole history of foreign commerce is full of the most glaring instances of such impolicy. It is sufficient to mention the multitude of treaties at various times, made by the different maritime powers, with Holland, granting the Dutch merchants exclusive privileges of trade in their dominions. The treaties with Denmark, for example, are so strictly in favour of the Dutch, and so evidently dictated by views of national jealousy and predilection, rather than by any regard to commercial interests, that one is inclined to think they must have been the work of Dutchmen, and not of Danes. One of the express stipulations of the treaty 1453, between Denmark and Holland, granting certain commercial rights

to the latter, is a condition that the Dutch merchants shall import no English goods into the Danish dominions.

Sweden, at the very period when she most stood in need of free and equal trade with all foreigners, from having no commerce of her own, first gave the Hans towns, and then the English and Dutch, a monopoly of her supply and exportation.

The Dutch themselves have often granted similar exclusive privileges to foreign merchants; but generally with the immediate view of obtaining still greater concessions in return. During the first half of the seventeenth century, no fewer than nine commercial treaties were made by the Dutch with France, stipulating mutual privileges of exclusive trade, or confirming those established by the treaty 1596.

The celebrated treaty 1703, between Britain and Portugal, was dictated on both parts by political animosity; the animosity of England against France, and of Portugal against both France and Spain. The advantages of the treaty, with respect to the mutual relations of the two parties, are reciprocal, as we shall afterwards have occasion to remark; but both parties have lost an immense absolute advantage, which the extension of the same privileges to other nations would have conferred.

In general, it may be expected that no commercial treaty, evidently disadvantageous to one party, and gainful to another, will long subsist in modern times. But a compact may long remain in force from political considerations, which is very unequal, without being grossly so: and similar motives may produce mercantile concessions, which are in reality, though not apparently, advantageous only to one of the parties.

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 NOTE E. *p.* 114.

NOTES AND ILLUSTR. THE statements in the text will derive some illustration from the following facts.—The county of Gloucester is the district of England, in which the labourers are most equally divided between agriculture and commerce or manufactures. In the former, forty-nine thousand four hundred and twenty are engaged; in the latter, forty-nine thousand six hundred and forty-five. In Lancashire, the disproportion is considerable; two hundred and sixty-nine thousand two hundred and fifty-nine are employed in trade and manufactures, fifty-two thousand and eighteen in agriculture. But in Middlesex, the disproportion is much greater; the numbers being one hundred and sixty-two thousand two hundred and sixty, and thirteen thousand four hundred and seventeen. In Surrey, the disproportion is greatest; forty-two thousand eight hundred and sixty-five are employed in trade and manufactures, only two thousand seven hundred and forty-six in agriculture. Hereford is the county where most are employed in agriculture; the proportion of these to traders and manufacturers, is that of thirty-one thousand two hundred and sixty-one, to eight thousand five hundred and eighty-eight. In Wales, we meet with much greater proportions of agriculturists. In Radnor, the number of these is eight thousand six hundred and twenty; the number of traders and manufacturers only eight hundred and eighty-nine. In Scotland, the county of Renfrew contains twenty-one thousand seven hundred and forty-six, devoted to trade and manufactures, and only three thousand eight hundred and ninety-four engaged in agriculture. Inverness contains thirty-four thousand and sixty-eight of the latter class, and only three

three thousand eight hundred and sixty-four of the former. **NOTES**
—*Vide Public Returns under the Population Act.* **AND**

It is easy to perceive from which of those districts the **ILLUST.**
British army must be recruited and augmented. The chief
magistrate of Glasgow, for 1793 and 1794, reckoned that, during his continuance in office, there were raised for the army above ten thousand men in that town. These certainly came from Renfrew, as well as Lanerksire.

The details given by Mirabeau on the Prussian population (*Mon. Pruss. tom. I.*); and those which he inserts with respect to the system of recruiting the army (*tom. III.*), add many illustrations upon this subject.—See also ‘*Observations sur les Armées de sa Maj. Prussienne.*’

NOTE F. p. 125.

THE frank and unaffected manner in which Frederick II. states his views upon the origin of the different contests in which he was engaged, is worthy of some praise. After mentioning the causes of war, which he probably published in his manifestoes, he always adds a sketch of the numbers of his armies, and the state of his treasures; with a notice of the allies upon whom he could reckon, from considering the mutual rivalry and enmities of his neighbours.—See *Hist. de Mon Temps, chap. I. & II.*—*Hist. de la Guerre de Sept-ans, chap. I.*

This mode of viewing the relative situation of France and England, is distinctly expressed in the following passage, where he alludes to the probable conduct of those two powers in the affairs of the Bavarian succession: ‘D’ailleurs, il étoit impossible que le roi manquât d’alliés. La rivalité que subsistoit entre la France et l’Angleterre assuroit nécessairement
‘ cessairement

NOTES ‘ceffairement au roi une de ces deux puiffances.’—(*Hift. de Mon Temps, tom. I. p. 127. Edit. 1788.*)

AND
ILLUST. This is given as the ftatement of thofe reafons and views which regulated the king’s conduct, in undertaking the conquest of Silcfia.

NOTE G. p. 127.

THE conduct of France, during the American war, is difcuffed by various eminent political writers. That the higheft authorities, both among thefe, and among the French ftatemen of the times, have been uniformly on the fide of neutrality, I fhall afterwards have occafion to fhew.—See *Vol. II. p. 295. and Note N n.*

NOTE I. p. 143.

IT is by no means neceffary for fupporting the reafonings contained in this fection, that I fhould enter into a difcuffion of the general doctrines maintained by the œconomifts. But, befides the apparent fallacy in their fundamental principles, which I have ventured to point out in the text, I fhall add one or two remarks, with refpect to their manner of viewing the diftribution of wealth, and the different qualities of labour.

The diftinction between productive and unproductive labour, feems, at firft fight, to be founded in the nature of things; and when we obferve, without much attention, the ufe which is made of thefe terms in the writings of the œconomifts, we are inclined to conclude, that the ideas thus conveyed

conveyed owe their origin to a very simple and natural, though not a very important consideration; or one from whence much useful light can be derived, viz. that man cannot, unassisted by the operations of nature, increase the portion of matter upon which he exerts his industry. But when we examine the case a little more minutely, we find that, in fact, the applications of this undoubted truth, to that classification in which the theory consists, are by no means accurate or complete. The most ordinary instance of contrast, between the labourer who increases the quantity of grain in the universe, and him who varies the form of that grain, may at first deceive us; but a multitude of examples might be given, which clearly prove the general distinction to be unfounded; and we, then, begin to perceive that, in all cases, it is really as fanciful. Let us take the instance of a brick manufacture. Here we have a process, by which no new particles are added to the subject formerly in existence. The land from which this return is obtained is not used, but deprived of its existence as soil, and turned into a useful commodity. We cannot, therefore, call the obtaining of the materials subservient to the manufacture an operation of agriculture, like the obtaining of wheat for the use of a mill: and it is clearly not what the economists denominate productive labour; because it consists entirely in subdividing, and new-moulding, by tools, a substance formerly existing. It is therefore unproductive and manufacturing labour. So is the operation of the furnace, as much as the formation of gold and silver by the fire and hammer into utensils. The whole operation, then, by which bricks are procured, is, according to the strict language of the economists, a manufacture, and is entitled to the appellation of unproductive. But if we attend to the effects of this operation, we shall find them to be exactly similar to those of agricultural industry: the useless particles of soil are so treated, as to become highly useful; they are endued, by the

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NOTES the industry of the workman, with those properties which
 AND fit them for supplying the necessities of man, viz. his want
 ILLUSTR. of shelter. The process, by the assistance of which labour
 produces this effect, is exactly the process which assists the
 farmer: the power of heat enables the manufacturer to produce shelter, and the farmer to produce food. The materials on which both work are the same—the soil. This appears in the one case to be destroyed, in the other to remain entire; but nothing can be more fallacious than such a distinction. The labours of the brick-maker separate part of the land from the substratum, unite it with other bodies, and subject it to various natural processes, until a substance is obtained possessed of new properties. The labour of the farmer also separates a portion of the soil from the substratum, viz. the salts, carbonaceous matter, &c.; unites these with other substances, as water, and airs of different kinds; and subjects those portions of matter to various processes, until a body is obtained possessed of new properties. The bricks are worn down by use, and their *debris* return to the fund from which they were drawn. The grain is consumed, that is, subjected to various processes in the animal system, which bring it by a circle back to the earth, from whence it sprung. The circumstance which has manifestly misled the economists is, the clearness with which we think we can perceive increase of matter or creation, in the operations of the farmer; whereas, in fact, he only, by the assistance of other portions of matter, and the operations of nature, forms new compounds of bodies previously existing. Just so does the brick-maker. Neither of them create—they merely combine and model. Nor is there any difference between the argument here maintained, and that which manifestly suggests itself on all the other branches of manufacturing industry.

 NOTE K. *p.* 169.

IN comparing the returns of the colony trade with those of the other branches of commerce, I have chiefly taken, as examples, the two great branches of European trade belonging to the Baltic and the Mediterranean; because these are the kinds of traffic which have been, by all writers on this subject, adopted as the medium of comparison. It is clear, however, that the arguments apply equally to the other kinds of foreign commerce.

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Much error has arisen in political discussions, from not attending to the limits of a very accurate and just proposition—that a low rate of profits is attended with real advantage to the wealth of a nation. The truth is, that the low rate is a symptom, as well as a cause of commercial prosperity; and its certainty as a symptom, is much more general than as a cause. For if, with a high rate of profits, there can be combined that unremitting industry which competition of capitals, and a low rate of gain uniformly excites; and if the high profits can be made upon as much stock as the competition would bring into the line of low profit, it is very evident that the national stock will be so much the more increased, as the rate of gain is higher.

The comparison between the colony trade and European trade, in this point of view, is accurately demonstrative of the advantages possessed by the former. We are not arguing with respect to the extent of capital employed in either; for we shall immediately afterwards find, that this depends on peculiar circumstances. But admitting that a certain portion of the national stock is devoted to the colony trade, and another equal portion to the nearer trade, the whole
 gain

NOTES gain on the former portion is greater than the whole gain
 AND on the latter ; always considering, that the capital replaced
 ILLUSTR. in the colonies is a home capital, and taking it for granted,
 that the returns from the foreign traffic are only twice as
 quick as those from the colony trade. A great gain on a
 small stock is certainly of less importance than a moderate
 gain on a large stock. But, the stocks being equal, the
 most gainful traffic is evidently most beneficial to the coun-
 try, as well as to the individuals. We shall afterwards con-
 sider the circumstances that naturally, and independent of
 colonial relations, distribute the national stock, and deter-
 mine the extent of its several portions.

NOTE L. p. 185.

THE difference between real and official value must of course vary in almost every article. The general statement in the text, is, however, sufficiently correct.

Authors are by no means agreed upon the details of this subject.

The original prices of 1697 are still adhered to in making up the Customhouse reports ; and it is agreed on all hands, that the great majority of exported and imported articles have risen very much since those rates of price were fixed. But it seems equally clear, that some articles, chiefly of importation, have very much fallen in price. Many of these are West Indian products—mahogany, rum, and, above all, coffee, which is rated at about three times its current price. From the returns, in consequence of the convoy duty, made by the inspector-general, (an officer, to whose labours the political œconomist owes more obligations than

than it is easy to express), it appears that the *declared* value of British exported manufactures exceeded their *official* value seventy-one *per cent.*, and the real value must have been somewhat greater. In 1799 and 1800, the real value of re-exported produce falls short of the official value, chiefly from the quantity of coffee, and other high-rated colonial goods exported. Mr Edwards (*Hist. of West Indies, passim*) estimates the official value of West Indian produce at one third below its real value. It would appear that this is a great deal too much, when we consider the quantity of coffee and rum which is imported from the colonies. The official value of foreign manufactures imported, must of course fall nearly as much short of the current prices as the official value of British exports. Almost all the diminution of price seems to fall upon articles of colonial produce, which were scantily supplied in the last century. I have enumerated some of these. The same list comprehends, also, rice, saltpetre, and silks, which form the principal of the remaining articles.

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NOTE M. p. 206.

A very clear and accurate account of the distinctions between different trading corporations is given by Dr Smith, in the *Wealth of Nations, book V. chap. I.* The reader will there find, also, a minute sketch of the most remarkable regulated and joint-stock companies that have been formed in England; and the clearest demonstration of the impolicy of such institutions, more especially if endued with exclusive privileges.

In the Third Section of this Inquiry, the reader will find various confirmations of the same truth, from the constant experience of foreign nations. I have also endeavoured to exhibit some general views of the natural progress of such

NOTES AND ILLUSTRATIONS institutions; and it is not uninteresting, or uninstruc-
 AND observe with what singular uniformity the same progress
 ILLUSTRATIONS. has marked the history of all nations in this branch of com-
 commercial polity. See, particularly, Part I. and II. of that
 Section, and the conclusion of Part III.

The article, 'Compagnies,' vol. I. of the Treatise on
 Commerce, in the *Encyclopedie Methodique*, contains some
 valuable information on the same subject, more especially on
 the history of the French East and West India Companies.
 I refer the reader to this part of the article, and to the In-
 dex of Anderson's *History of Commerce*, not only for addi-
 tional proofs, if any are necessary, of the positions contained
 in the text, but for such illustrations as are purposely omit-
 ted in the Fourth part of the Third Section.

The dictionaries of Savari and Robinet, from which a
 great part of the treatise in the *Encyclopedie* is taken; and
 Ricard's *Traité General du Commerce*, particularly the third
 volume, deserve to be consulted by those who would enter
 with great minuteness into this very interesting and amusing
 subject. There is, perhaps, no branch of political history
 that furnishes so many deep and important general reflec-
 tions; and none of those writers who are commonly called
 historians give us any light upon the matter.

NOTE N. p. 270.

ALL nations have at different times adopted a policy similar
 to that which dictated the navigation act, and chiefly with
 the same views. The edicts of France upon this subject
 have been the least unwise, and the nearest to the measures
 of England in their good consequences. The navigation
 law of Sweden has been the most preposterous, and produc-
 tive of the greatest injury; because it was the most unnatural,
 and tended to anticipate events placed at the greatest dis-
 tance.

In Portugal, a proposal of singular absurdity has lately been made, by a person of some rank in the American colony, and tolerably well acquainted with the Portuguese colonial commerce, Cunha de Coutinho, bishop of Fernambuco. The chief object of his discourse is to recommend such measures as may increase the Portuguese navy, by favouring the colonial fisheries, and imitating the English navigation act. The errors of this author's reasonings are pointed out with sufficient precision by the translator of the work into English, in the notes which he has added. The original work is printed at Lisbon, with the title of *Ensaio Economico Sobre o Commercio de Portugal e Suas Colonias*; and the translation was published in London 1801.—See particularly, Part I. chap. II.

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NOTE O. p. 272.

THE following passage in the *Wealth of Nations* may perhaps justify the remarks contained in the text—remarks which may be extended to many other writers of less note, and even to some other parts of Dr Smith's writings, particularly to several of his speculations (as well as Mr Hume's) on the subjects of circulation and credit.

‘ The monopoly of the colony trade besides, by forcing
‘ towards it a much greater proportion of the capital of
‘ Great Britain than what would naturally have gone to it,
‘ seems to have broken altogether that natural balance which
‘ would otherwise have taken place among all the different
‘ branches of British industry. The industry of Great Bri-
‘ tain, instead of being accommodated to a great number of
‘ small markets, has been principally suited to one great
‘ market. Her commerce, instead of running in a great
‘ number of small channels, has been taught to run principal-
‘ ly in one great channel. But the whole system of her in-
‘ dustry

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‘ dustry and commerce has thereby been rendered less secure ;
 ‘ the whole state of her body politic less healthful, than it
 ‘ otherwise would have been. In her present condition,
 ‘ Great Britain resembles one of those unwholesome bodies
 ‘ in which some of the vital parts are overgrown, and which,
 ‘ upon that account, are liable to many dangerous disorders
 ‘ scarce incident to those in which all the parts are more pro-
 ‘ perly proportioned. A small stop in that great blood-
 ‘ vessel, which has been artificially swelled beyond its natural
 ‘ dimensions, and through which an unnatural proportion of
 ‘ the industry and commerce of the country has been forced
 ‘ to circulate, is very likely to bring on the most dangerous
 ‘ disorders upon the whole body politic. The expectation
 ‘ of a rupture with the colonies, accordingly, has struck the
 ‘ people of Great Britain with more terror than they ever
 ‘ felt for a Spanish armada, or a French invasion. It was
 ‘ this terror, whether well or ill grounded, which rendered
 ‘ the repeal of the stamp act, among the merchants at least,
 ‘ a popular measure. In the total exclusion from the colony
 ‘ market, was it to last only for a few years, the greater
 ‘ part of our merchants used to fancy that they foresaw an
 ‘ entire stop to their trade ; the greater part of our master
 ‘ manufacturers, the entire ruin of their business ; and the
 ‘ greater part of our workmen, an end of their employment.
 ‘ A rupture with any of our neighbours upon the continent,
 ‘ though likely too to occasion some stop or interruption in
 ‘ the employments of some of all these different orders of
 ‘ people, is foreseen, however, without any such general e-
 ‘ motion. The blood of which the circulation is stopt in
 ‘ some of the smaller vessels, easily disgorges itself into the
 ‘ greater, without occasioning any dangerous disorder ; but,
 ‘ when it is stopt in any of the greater vessels, convulsions,
 ‘ apoplexy, or death, are the immediate and unavoidable
 ‘ consequences. If but one of those overgrown manufactures,
 ‘ which, by means either of bounties or of the monopoly of
 ‘ the home and colony markets, have been artificially raised

‘ up

‘ up to an unnatural height, finds some small stop or interruption in its employment, it frequently occasions a mutiny and disorder alarming to government, and embarrassing even to the deliberations of the legislature. How great, therefore, would be the disorder and confusion, it was thought, which must necessarily be occasioned by a sudden and entire stop in the employment of so great a proportion of our principal manufacturers?’—*vol. II. p. 424. 425. & 426.*

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NOTE P. p. 283.

WE actually find a striking analogy between the naval carrying trade, as engrossed by the Dutch, and the inland carrying trade of different parts of the world, as engrossed by particular nations or tribes. The whole commerce of the interior of Africa must necessarily be carried on by caravans. The business of conducting journies through deserts, which insulate the various cultivable spots of that continent, requires peculiar talents and habits: accordingly, the circulation of the commodities that form the subjects of commerce in those parts, has become a peculiar branch of employment, and occupied the attention of one nation more than all the rest. We are informed by Mr Horneman, that the carrying trade of the interior of North Africa is entirely in the hands of the Tibbo and Tuarick; that between the interior and Cairo is engrossed by the Angilans; and that between the interior and Tripoli is in the hands of the Lochna. These tribes devote their lives to the wayfaring line and the objects immediately connected with it, as the Dutch have done to the seafaring line, ship-building, and fisheries.—*(Journal of F. Horneman's Travels.)*

This excellent traveller has pointed out the effects of their peculiar way of life on the characters and habits of the different carrying tribes.

 NOTE S. p. 365.

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THE author of the *Voyage à Cayenne*, &c. states the negro population of Dutch Guiana at ninety thousand slaves, and twenty-six thousand Maroons, p. 226. 230. Malouet flatly denies that the Maroons are so numerous; but as his statements are intended to support a strong opinion with which he was impressed, against cultivating the French colony in Guiana by means of the Maroons, we should take his assertions with some allowance. The author of the *Treatise on Political Economy* (in the *Encyc. Method.*) gives fifty thousand for the number of the Maroons, tom. IV. p. 299. He adds, that in the colony of Berbice, there are only two hundred and fifty whites, and seven thousand negro slaves. Ricard (tom. III.) gives the same statement with respect to Berbice. The *Treatise Geographie* (*Encyc. Meth.*) states the whole slave population of Surinam at sixty thousand. Tom. III. p. 308.

Morse (*Amer. Gazetteer*, p. 153.) gives the population of whites in Dutch Guiana at three thousand two hundred, the negro slaves at forty-three thousand. I am inclined to doubt the general accuracy of this author's statements of population; because he greatly exceeds every other writer, and because, on some occasions, I find he has copied *verbatim* from very old books. See his *Account of the Dutch Islands*, p. 127. which is taken *verbatim* from *Burke*.

 NOTE T. p. 379.

ALMOST all general writers on Spanish affairs come under this description. The Marquis d'Argenson, without any hesitation, ascribes the ruin of Spain chiefly to her colonial relations.

Dr Robertson (*Hist. of America*, II. 399.) has the following statement in the same spirit :

‘ Thus the possessions of Spain in America have not proved a source of population and of wealth to her, in the same manner as those of other nations. In the countries of Europe, where the spirit of industry subsists in full vigour, every person settled in such colonies, as are similar in their situation to those of Spain, is supposed to give employment to three or four at home in supplying his wants. [Child on Trade and Colonies.] But wherever the mother country cannot afford this supply, every emigrant may be considered as a citizen lost to the community, and strangers must reap all the benefit of answering his demands.’

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This passage requires no commentary. Where great names have treated so carelessly a subject of so much more importance than difficulty, we may be allowed to state with some confidence the facts which they seem to have neglected, and the obvious arguments which they seem to have omitted. As to the observation last quoted; nothing can be clearer than that the emigrants from Spain afford in the colonies the same assistance to those who remain at home, as if they had remained at home themselves—nay, as their numbers must multiply much more rapidly at the end of a given time, the whole home market will be more extended in consequence of the emigration.

NOTE U. p. 411.

I HAVE purposely omitted the consideration of some very glaring evils in the political situation of Spain, because they appear to be rather of a secondary nature, than general and primary causes of decline. The enormous extent of ecclesiastical charity seems to be the chief of these, and, from its effects, it almost deserves to be considered in a more general point

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point of view. Mr Townsend's whole travels are full of accounts of this public nuisance, which cannot fail to astonish every reader. I have, however, stated the radical causes which gave rise on the one hand to the demand for charity, and on the other to the capacity acquired by the church of satisfying this demand. Like all evils in the political system, the charity profusely bestowed has increased the other evil which gave rise to it, viz. the poverty and idleness of the people. The princely fortunes of the monasteries and dignitaries of the church, arising chiefly from ancient grants of land obtained during the depopulated state of the kingdom, formed perhaps the only part of the fact which can be said to have been peculiar to Spain.

NOTE V. p. 437.

IT may be amusing to my readers to observe the effects of national prejudice, upon a mind of the greatest strength and liberality, in the following passages of Campomanes.

‘ El autor de los establecimientos de los europeos, ha prodigado muchas fábulas de esta naturaleza, contra la humanidad de los espagnoles. Y si se hubiese tomado la fatiga de leer nuestras memorias, habria tenido que admirar, mas que censurar.

‘ Si se ha de inferir el trato de los espagnoles con los Indios, por el que dan á sus esclavos, es fácil demostrar, que exceden á las demás naciones en humanidad; y es cosa que está á la vista de todos.

‘ Si de alguno se puede afirmar, que procedió con severidad, fué Ambrosio Alfinger en la Tierra-firme, Alemán que pasó con licencia de Carlos I; y este es el único, que puede ser motejado de crueldad.’—*Educ. Popul. II.* p. 172. *Note.*

NOTE

 NOTE W. p. 444. 450.

If the reader attends to the following comparative statement of authorities, he will probably admit the justice of the remark in the text.

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Dr Robertson estimates the numbers of the Spaniards, and the mixed race in Peru and Mexico, at three millions; and seems to think that the Spaniards are about half as numerous as the negroes and mixed races together.—(*Hist. of America*, II. 496.)

Dr Smith (*Wealth of Nations*, Book IV. chap. VI.) says, that Brazil has more white inhabitants than any other American colony; and that it contains nine hundred thousand.

Morse states the population of the Spanish part of St Domingo at one hundred and ten thousand free inhabitants, and fifteen thousand slaves.—(*Amer. Gaz.*)

Edwards gives the whole number of inhabitants at about eighteen thousand.—(*Hist. Survey*, &c. chap. XII.)

The Report of the Chambers of Commerce to M. Necker states twenty-two thousand to be the number of the free inhabitants, and four thousand that of the slaves. Moreau de St Mery, and Bourgoing, estimate the population at one hundred thousand free men, and fifteen thousand slaves.

The same Report makes the free population of Cuba one hundred and seventy thousand; of Port Rico, seventy-five thousand: and the slave population of the former, thirty thousand; of the latter, six thousand. Some accounts of Cuba make the whole population amount to one hundred and seventy-one thousand; of which, above twenty-eight thousand were said to be slaves.—(*Econ. Pol. & Dip. (Encyc. Meth.) tom. I. p. 742.*) Ricard gives the whole population at seventy-two thousand.—III. 671.

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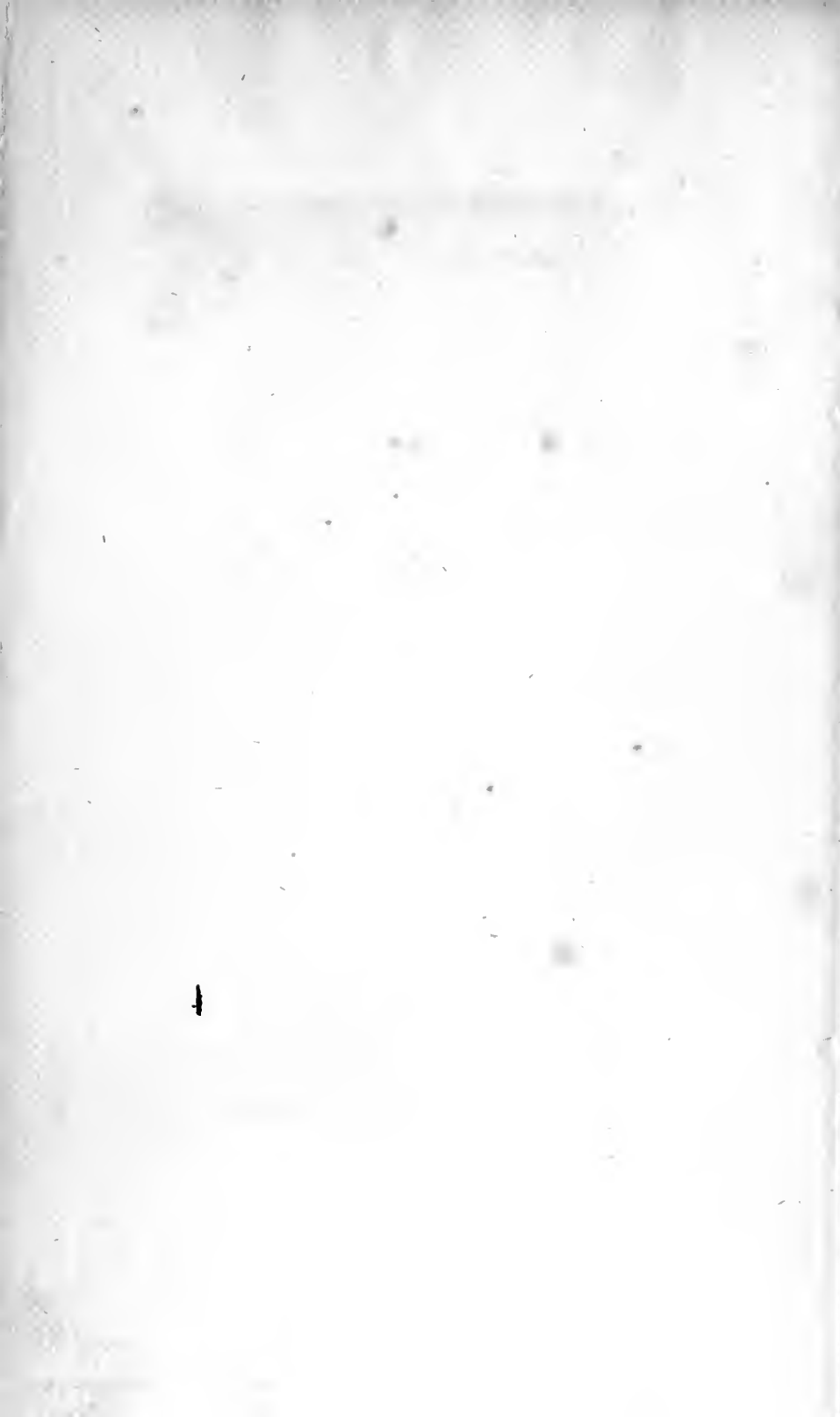
The accounts of Porto Rico are still more various. Some authors state its negro population at fifty thousand. The accounts of the revenue of the Spanish colonies are still more contradictory, as the reader may see, by referring to the authorities above quoted, and to Harris's Collection.

NOTE X. p. 478.

THE accounts of the Portuguese colonies are much more inconsistent than those of the Spanish, and our knowledge of them, in every respect, less extensive.

END OF VOLUME FIRST.









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